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Public Service Commission

June 25, 2008

Russell A. Badders, Esq.
 Gulf Power Company
 P.O. Box 12950
 Pensacola, FL 32591-2950

MID-COURSE PETITION
 DATA REQUESTS

Re: DOCKET NO. 080001-EI - Fuel and purchased power cost recovery clause with generating performance incentive factor.

Dear Mr. Badders:

By this letter, the Commission staff requests that Gulf Power Company ("Gulf" or utility) provide responses to the following data requests.

Please refer to Gulf's Mid-Course Schedules E-1B, E-1B-1, E-1, E-2, and E-3, Gulf's original 2008 Schedules E-1, E-2 and E-3, and Gulf's 2008 monthly Schedules A-1, A-2, and A-3.

The following dollar amounts and mWh's are from those sources.

	<u>Estimated</u>	<u>Estimated/Actual</u>
Jurisdictional Fuel Revenue ("Revenue")	\$462,011,862	\$458,584,771
Jurisdictional Total Fuel & Net Power Transactions Adjusted for Line Losses ("Expenses")	\$418,890,011	\$476,965,048
True-up and GPIF	\$43,121,851	--
mWh	11,692,537	11,611,976

\$/mWh calculations based on the above numbers of dollars and mWh's follow.

	<u>Estimated</u>	<u>Estimated/Actual</u>
Jurisdictional Fuel Revenue	\$39.51339748	\$39.49239742
Jurisdictional Total Fuel & Net Power Transactions Adjusted for Line Losses	\$35.82541676	\$41.07526988
True-up and GPIF	\$3.68798072	

Staff has calculated Gulf's 2008 Estimated/Actual True-up Provision for the Period and expressed the provision as follows, based on estimated/actual mWh's and \$/mWh's. Staff's expression consists of three parts:

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- 1) $(\text{Estimated/Actual Revenue per mWh} - \text{Estimated Revenue per mWh}) * \text{Estimated/Actual mWh} = (\$39.49239742 - \$39.51339748) * 11,611,976 = -\$243,852$
- 2) $(\text{Estimated Expenses per mWh} - \text{Estimated/Actual Expenses per mWh}) * \text{Estimated/Actual mWh} = (35.82541676 - 41.07526988) * 106,076,562 = -\$60,961,168$
- 3) $(\text{Estimated/Actual mWh} - \text{Estimated mWh}) * \text{True-up and GPIF } \$/\text{mWh} = (11,611,976 - 11,692,537) * \$3.68798072 = -\$297,107$

Based on these calculations, Gulf's estimated 2008 under recovery is

$$-\$243,852 - \$60,961,168 - \$297,107 = -\$61,502,127 \cong -\$61,502,126$$

(rounding difference)

1. Does Gulf agree that the estimated Jurisdictional Sales Adjusted for Line Losses per mWh plus the estimated True-up and GPIF dollars per mWh, or $\$35.82541676 + \$3.68798072 = \$39.51339748$ is a fair $\$/\text{mWh}$ representation of Gulf's cost recovery factor excluding revenue taxes? If not, please explain why not.
2. Does Gulf agree that $-\$243,852$ is a fair estimate of the lost revenues that will result from variation in the proportions by which the rate classes use energy? If not, please explain why not.
3. Does Gulf agree that $-\$297,107$ is a fair estimate of the unrecovered True-up and GPIF dollars for 2008? If not, please explain why not.
4. Does Gulf agree that the two above dollar amounts, $-\$243,852$ and $-\$297,107$ are small compared to Gulf's 2008 estimated/actual Jurisdictional Fuel Revenue Applicable to Period ($\$415,462,922$)? If not, please explain why not.
5. Does Gulf agree that the remaining under recovery dollars, $-\$60,961,168$, account for nearly all of Gulf's estimated/actual 2008 under recovery? If not, please explain why not.
6. Does Gulf agree that the above expression of Gulf's estimated/actual 2008 under recovery shows the correct contributions of revenues and expenses to the estimated/actual 2008 under recovery? If not, please explain why not.

Please refer to Gulf's filings listed atop Page 1 and to the attached double-entry business statistics Tables 1 through 3. Staff has tabulated Gulf's 2008 estimates and "estimated/actuals" consistently with the monthly A-Schedule tabulations (i.e., Hedging Settlements are in Non-Fuel Generation, Gulf's Other Generation mWh estimates are not in Non-Fuel Generation) and calculated the sources' of Jurisdictional kWh Sale's over recoveries. Staff uses two fuel types for Fuel, 1) Natural Gas for Generation, labeled "Natural Gas," and 2) Other, labeled "Coal."

Russell A. Badders, Esq.

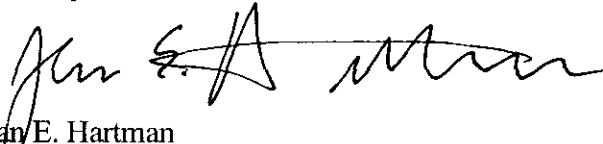
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7. Annually, what percent of Gulf's Territorial KWH Sales does coal (from Gulf's mid-course E-3 Schedules, or "real coal") represent?
8. Annually, what percent of Gulf's Fuel Generation excluding Natural Gas Generation does coal (from Gulf's mid-course E-3 Schedules, or "real coal") represent?
9. Does Gulf agree that "Coal" is a practical label for staff's "Other" category?
10. Does Gulf agree that the calculations in Column (e) of Table 3 accurately portray Gulf's estimated 2008 under recovery by source of Jurisdictional kWh Sales? If not, please explain why not.
11. Does Gulf agree that considering 1) that staff includes additional dollars and mWh's with coal, 2) that staff separates Hedging Settlements from natural gas, and 3) that staff's calculations are annual calculations not weighted by monthly mWh's, the calculations I in Column (e) of Table 3 approximately equal Gulf's assessment of its mid-course over recovery estimate in the petition? If not, please explain why not.

Please file the original and five copies of the requested information by Monday, June 30, 2008, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6193 or Bill McNulty at (850) 413- 6443 if you have any questions.

Sincerely,



Jean E. Hartman
Senior Attorney

JEH:th

cc: Office of Commission Clerk
Division of Economic Regulation (McNulty, et. al)
Docket No. 080001-EI (Parties)

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Table 1
 Gulf Power Company
 Annual Estimate
 2008

Source of Jurisdictional KWH Sales (a)	Dollars (b)	MWH (c)	cKWh (Ratio) (d)	Estimated Weight (mWh) Territorial mWh (e)	Weighted cKWh (d)*(e) (f)	Line-Loss Factor Times Weighted cKWh (g)
Coal	\$411,455,577	14,716,460	2.795886898	1.258618921	3.518958948	3.521422219
Heavy Oil	0	0	--	0.000000000	0.000000000	0.000000000
Light Oil	0	0	--	0.000000000	0.000000000	0.000000000
Natural Gas	218,095,016	2,944,840	7.406005623	0.251856376	1.865249740	1.868555415
Nuclear Fuel	0	0	--	0.000000000	0.000000000	0.000000000
Total Fuel	629,550,593	17,661,300	3.564576747	1.510476298	5.384208688	5.387977634
Non-Fuel Generation	0	0	--	0.000000000	0.000000000	0.000000000
Total Generation	629,550,593	17,661,300	3.564576747	1.510476298	5.384208688	5.387977634
Power Sold & Gains	(213,447,000)	(5,198,854)	4.113567273	-0.443774563	-1.825497751	-1.826775600
Purchased Power	0	0	--	0.000000000	0.000000000	0.000000000
Qualifying Facilities	0	0	--	0.000000000	0.000000000	0.000000000
Economy Energy	17,616,000	417,436	4.220648103	0.035701083	0.150880203	0.150765665
Net Inadvertent Interchange & Wheeling	0	0	--	0.000000000	0.000000000	0.000000000
Unbilled Sales, T&D Losses & Company Use	0	(774,926)	-0.000000000	-0.066275266	0.000000000	0.000000000
Territorial KWH Sales	\$433,719,593	12,114,956	3.580034405	1.036127232	3.709371140	3.711967700
Wholesale KWH Sales	15,122,800	422,419	3.578999653	0.036127232	0.129335490	0.129426025
Jurisdictional KWH Sales	\$448,842,393	11,692,537	3.580035650	1.000000000	3.580035650	3.582541675

Estimated Line-Loss Factor: 1.0007

Table 2
 Gulf Power Company
 Estimated/Actual
 2008

Source of Jurisdictional KWH Sales (a)	Dollars (b)	MWH (c)	cKWh (Ratio) (d)	Actual Weight (mWh) Territorial mWh (e)	Weighted cKWh (d)*(e) (f)	Line-Loss Factor Times Weighted cKWh (g)
Coal	\$463,483,264	13,967,908	3.246608325	1.202688122	3.905306590	3.980940365
Heavy Oil	0	0	--	0.000000000	0.000000000	0.000000000
Light Oil	0	0	--	0.000000000	0.000000000	0.000000000
Natural Gas	219,630,676	2,581,845	8.506733673	0.222343295	1.891415191	1.892738181
Nuclear Fuel	0	0	--	0.000000000	0.000000000	0.000000000
Total Fuel	673,113,942	16,549,753	4.067214429	1.425231416	5.796721781	5.800779486
Non-Fuel Generation	(14,049,444)	0	--	0.000000000	0.000000000	0.000000000
Total Generation	659,064,498	16,549,753	3.982322262	1.425231416	5.675790787	5.679703809
Power Sold & Gains	(202,376,272)	(4,446,181)	4.551687662	-0.382896158	-1.742823719	-1.744043696
Purchased Power	0	0	--	0.000000000	0.000000000	0.000000000
Qualifying Facilities	1,463,642	23,916	6.118923082	0.002059598	0.012604590	0.012613414
Economy Energy	15,413,712	631,137	5.611097432	0.054352248	0.304975760	0.305189243
Net Inadvertent Interchange & Wheeling	0	0	--	0.000000000	0.000000000	0.000000000
Unbilled Sales, T&D Losses & Company Use	0	(734,237)	-0.000000000	-0.063231013	0.000000000	0.000000000
Territorial KWH Sales	\$463,595,560	12,024,388	4.104704372	1.035516091	4.250487420	4.253462769
Wholesale KWH Sales	15,324,175	412,412	4.106130520	0.035516091	0.145833707	0.145835793
Jurisdictional KWH Sales	\$478,919,735	11,611,976	4.104653730	1.000000000	4.104653730	4.107526988

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Table 3
 Gulf Power Company
 Differences Times Jurisdictional kWh's
 2008

Source of Jurisdictional KWH Sales (a)	Estimated Line-Loss Factor Times Weighted cKWh (b)	Actual Line-Loss Factor Times Weighted cKWh (c)	Difference [(b)-(c)] (d)	Difference Times Jurisdictional mWh * 10 (e)	Weight Difference (f)	cKWh Difference (g)
Coal	3.521422219	3.908040305	-0.386618086	(\$44,892,999)	0.055731800	-0.450721427
Heavy Oil	0.000000000	0.000000000	0.000000000	0	0.000000000	0.000000000
Light Oil	0.000000000	0.000000000	0.000000000	0	0.000000000	0.000000000
Natural Gas	1.886555415	1.882739181	-0.003816234	(3,040.453)	0.029513082	-1.100728050
Nuclear Fuel	0.000000000	0.000000000	0.000000000	0	0.000000000	0.000000000
Total Fuel	5.387977634	5.800779486	-0.412801852	(47,934,452)	0.085244882	-0.502637682
Non-Fuel Generation	0.000000000	0.000000000	0.000000000	14,059,279	(Dollar Amount Difference)	
Total Generation	5.387977634	5.879703809	-0.291726175	(33,875,173)	0.085244882	-0.417745515
Power Sold & Gains	-1.826775600	-1.744043666	-0.082731934	(9,606,809)	-0.060878704	-0.436120389
Purchased Power	0.000000000	0.000000000	0.000000000	0	0.000000000	0.000000000
Qualifying Facilities	0.000000000	0.012613414	-0.012613414	(1,464,867)	-0.002059398	-6.119828082
Economy Energy	0.150765665	0.305189243	-0.154423577	(17,931,629)	-0.018651185	-1.391049329
Net Inadvertent Interchange & Wheeling	0.000000000	0.000000000	0.000000000	0	0.000000000	0.000000000
Unbilled Sales, T&D Losses & Company Use	0.000000000	0.000000000	0.000000000	0	-0.003044253	0.000000000
Territorial KWH Sales	3.711987700	4.253462769	-0.541495069	(\$62,672,277)	0.000611141	-0.524669967
Wholesale KWH Sales	0.129426025	0.145935790	-0.016509765	(1,917,110)	0.000611141	-0.526138567
Jurisdictional KWH Sales	3.582541675	4.107526998	-0.524985323	(\$60,961,168)	0.000000000	-0.524618080