

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**FUEL COST AND PURCHASED POWER COST
RECOVERY CLAUSE**

DOCKET NO. 010001-EI

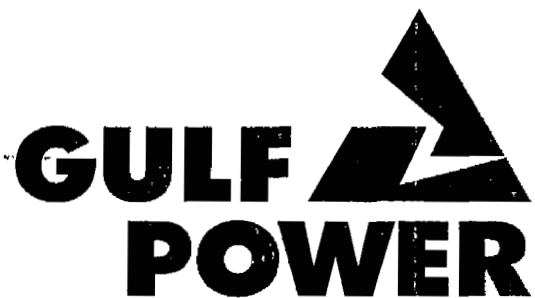
**PREPARED DIRECT TESTIMONY AND
EXHIBIT OF
TERRY A. DAVIS**

ESTIMATED TRUE-UP

JANUARY - DECEMBER 2001 (Fuel)

JANUARY – DECEMBER 2001 (Capacity)

AUGUST 20, 2001



A SOUTHERN COMPANY

DOCUMENT NUMBER - DATE
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1 GULF POWER COMPANY

2 Before the Florida Public Service Commission
3 Prepared Direct Testimony and Exhibit of
4 Terry A. Davis
5 Docket No. 010001-EI
6 Fuel and Purchased Power Capacity Cost Recovery
7 Date of Filing: August 20, 2001
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13 Q. Please state your name, business address and occupation.

14 A. My name is Terry Davis. My business address is One
15 Energy Place, Pensacola, Florida 32520-0780. I am the
16 senior Staff Accountant in the Rates and Regulatory
17 Matters Department of Gulf Power Company.
18
19

20 Q. Please briefly describe your educational background and
21 business experience.

22 A. I graduated from Mississippi College in Clinton,
23 Mississippi in 1979 with a Bachelor of Science Degree in
24 Business Administration and a major in Accounting.
25 Prior to joining Gulf Power, I was an accountant for a
seismic survey firm, Geophysical Field Surveys, in
Jackson, Mississippi. In that capacity, I was
responsible for accounts receivable, accounts payable,
sales, use, and fuel tax returns, and various other
accounting activities. In 1986, I joined Gulf Power as
an Associate Accountant in the Plant Accounting
Department. Since then, I have held various positions

1 of increasing responsibility with Gulf in Accounts
2 Payable, Financial Reporting, and Cost Accounting. In
3 1993, I joined the Rates and Regulatory Matters area,
4 where I have participated in activities related to the
5 cost recovery clauses, budgeting, and other regulatory
6 functions. In 1998, I was promoted to my current
7 position, which includes preparation and coordination of
8 the Company's Fuel, Capacity and Environmental Cost
9 Recovery Clause filings, administration of Gulf's retail
10 tariff, and review of other regulatory filings submitted
11 by the Company.

12
13 Q. Have you prepared an exhibit that contains information
14 to which you will refer in your testimony?

15 A. Yes, I have.

16 Counsel: We ask that Ms. Davis' Exhibit
17 consisting of five schedules be
18 marked as Exhibit No. _____ (TAD-2).

19
20 Q. Are you familiar with the Fuel and Purchased Power
21 (Energy) estimated true-up calculations for the period
22 of January 2001 through December 2001 and the Purchased
23 Power Capacity Cost estimated true-up calculations for
24 the period of January 2001 through December 2001 set
25 forth in your exhibit?

1 A. Yes. These documents were prepared under my direction.

2

3 Q. Have you verified that to the best of your knowledge and
4 belief, the information contained in these documents is
5 correct?

6 A. Yes, I have.

7

8 Q. How were the estimated true-ups for the current period
9 calculated for both fuel and purchased power capacity?

10 A. In each case for the estimated true-up calculations
11 includes seven months of actual data and five months of
12 estimated data.

13

14 Q. Ms. Davis, what has Gulf calculated as the fuel cost
15 recovery true-up to be applied in the period January
16 2002 through December, 2002?

17 A. The fuel cost recovery true-up for this period is an
18 increase of .1050¢/kwh. As shown on Schedule E-1A, this
19 includes an estimated under-recovery for the January
20 through December 2001 period of \$17,686,821, plus a
21 final over-recovery for January through December 2000
22 period of \$6,907,921 (see Schedule 1 filed April 2,
23 2001). The resulting under-recovery is \$10,778,900.

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1 Q. Are there any significant adjustments to the fuel cost
2 recovery clause reflected in the schedules to your
3 exhibit?

4 A. Yes. In accordance with Order No. PSC-99-2131-S-EI
5 concerning Gulf's revenue sharing plan, a one-time
6 adjustment of \$221,982 was made in the fuel clause in
7 May 2001. The adjustment is shown on Schedule E-1B. It
8 represents the difference between the amount calculated
9 to be refunded and the actual refunds made.

10

11 Q. Ms. Davis, you stated earlier that you are responsible
12 for the Purchased Power Capacity Cost true-up
13 calculation. Which schedules of your exhibit relate to
14 the calculation of these factors?

15 A. Schedules CCE-1a and CCE-1b of my exhibit relate to the
16 Purchased Power Capacity Cost true-up calculation to be
17 applied in the January 2002 through December 2002
18 period.

19

20 Q. What has Gulf calculated as the purchased power capacity
21 factor true-up to be applied in the period January 2002
22 through December 2002?

23 A. The true-up for this period is a decrease of .0181¢ as
24 shown on Schedule CCE-1a. This includes an estimated
25 over-recovery of \$1,515,391 for January 2001 through

1 December 2001. It also includes a final true-up over-
2 recovery of \$340,856 for the period of January 2000
3 through December 2000 (see Schedule CCA-1 filed April 2,
4 2001). The resulting over-recovery is \$1,856,247.

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6 Q. Ms. Davis, does this complete your testimony?

7 A. Yes, it does.

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STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

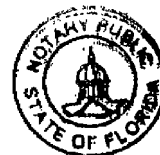
Docket No. 010001-EI

Before me the undersigned authority, personally appeared Terry A. Davis, senior Staff Accountant, in the Rates and Regulatory Matters Department of Gulf Power Company, and who on behalf of said corporation, being first duly sworn, deposes, and says that pursuant to Rule 1.340(a), Florida Rules of Civil Procedure, she verifies that the individual listed in the Index to the Interrogatories as filed provided answers to the foregoing on behalf of said corporation, and consequently that the foregoing constitute true and correct answers to the best of her knowledge, information, and belief. She is personally known to me.

Terry A. Davis
Terry A. Davis
Staff Accountant

Sworn to and subscribed before me this 17th day of August,
2001.

Linda C. Webb
Notary Public, State of Florida at Large



LINDA C. WEBB
Notary Public-State of FL
Comm. Exp: May 31, 2002
Comm. No: CC 725989

SCHEDULE E-1A

**FUEL COST RECOVERY CLAUSE
CALCULATION OF TRUE-UP
GULF POWER COMPANY
FOR THE PERIOD: JANUARY 2002 - DECEMBER 2002**

1.	Estimated over/(under)-recovery, JANUARY - DECEMBER 2001 (Sch. E-1B, page 2, line 9)	(\$17,686,821)
2.	Final over/(under)-recovery JANUARY - DECEMBER 2000 (EXHIBIT No.____(TAD-1), filed April 2, 2001)	<u>6,907,921</u>
3.	Total over/(under)-recovery (Lines 1 + 2) To be included in JANUARY 2002 - DECEMBER 2002 (Schedule E1, Line 28)	<u>(\$10,778,900)</u>
4.	Jurisdictional KWH sales FOR THE PERIOD: JANUARY 2002 - DECEMBER 2002	<u>10,265,886,000</u>
5.	True-up Factor (Line 3 / Line 4) x 100 (¢ / KWH)	<u>0.1050</u>

**CALCULATION OF ESTIMATED TRUE-UP
GULF POWER COMPANY
FOR THE PERIOD JANUARY 2001 - DECEMBER 2001**

	JANUARY ACTUAL	FEBRUARY ACTUAL	MARCH ACTUAL	APRIL ACTUAL	MAY ACTUAL	JUNE ACTUAL	TOTAL SIX MONTHS
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
A 1 Fuel Cost of System Generation	17,220,440.71	13,308,480.72	17,836,808.64	16,982,064.30	15,328,649.56	19,652,728.07	\$100,329,172.00
2 Fuel Cost of Power Sold	(6,474,959.86)	(3,008,624.95)	(6,143,978.07)	(7,081,089.12)	(3,560,969.36)	(4,656,149.50)	(\$30,925,770.86)
3 Fuel Cost of Purchased Power	7,918,888.63	4,470,531.66	1,591,190.32	2,656,470.72	4,924,364.87	6,894,977.20	28,456,423.40
3a Demand & Non-Fuel Cost Of Purchased Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3b Energy Payments to Qualified Facilities	411,227.00	148,148.00	55,503.00	252,742.00	177,840.00	155,670.00	1,201,130.00
4 Energy Cost of Economy Purchases	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5 Other Generation	(555.71)	(423.57)	5,150.00	53,000.89	62,488.76	104,995.51	224,655.88
6 TOTAL FUEL & NET POWER TRANSACTIONS (Sum of Lines A1 Thru A5)	<u>\$19,075,040.77</u>	<u>\$14,918,111.86</u>	<u>\$13,344,673.89</u>	<u>\$12,863,188.79</u>	<u>\$16,932,373.83</u>	<u>\$22,152,221.28</u>	<u>\$99,285,610.42</u>
B 1 Jurisdictional KWH Sales	894,601,648	665,415,950	740,704,306	753,771,220	876,985,519	984,069,572	4,915,548,215
2 Non-Jurisdictional KWH Sales	32,771,393	22,728,026	25,019,926	24,522,286	29,172,685	31,745,515	165,959,831
3 TOTAL SALES (Lines B1 + B2)	<u>927,373,041</u>	<u>688,143,976</u>	<u>765,724,232</u>	<u>778,293,506</u>	<u>906,158,204</u>	<u>1,015,815,087</u>	<u>5,081,508,046</u>
4 Jurisdictional % Of Total Sales (Line B1/B3)	<u>96.4662%</u>	<u>96.6972%</u>	<u>96.7325%</u>	<u>96.8492%</u>	<u>96.7806%</u>	<u>96.8749%</u>	
C 1 Jurisdictional Fuel Recovery Revenue (Net of Revenue Taxes)	\$16,024,786.04	\$11,867,985.57	\$13,211,480.84	\$13,480,270.48	\$15,715,545.27	\$17,632,644.48	\$87,932,712.68
2 True-Up Provision	(387,727.50)	(387,727.50)	(387,727.50)	(387,727.50)	(387,727.50)	(387,727.50)	(2,326,365.00)
2a Incentive Provision	(15,079.33)	(15,079.33)	(15,079.33)	(15,079.33)	(15,079.33)	(15,079.33)	(90,475.98)
3 FUEL REVENUE APPLICABLE TO PERIOD (Sum of Lines C1 Thru C2a)	<u>\$15,621,979.21</u>	<u>\$11,465,178.74</u>	<u>\$12,808,674.01</u>	<u>\$13,077,463.65</u>	<u>\$15,312,738.44</u>	<u>\$17,229,837.65</u>	<u>\$85,515,871.70</u>
4 Fuel & Net Power Transactions (Line A6)	\$19,075,040.77	\$14,918,111.86	\$13,344,673.89	\$12,863,188.79	\$16,932,373.83	\$22,152,221.28	\$99,285,610.42
5 Jurisdictional Fuel Cost Adj. for Line Losses (Line A6 x Line B4 x 1.0014)	<u>18,426,728.33</u>	<u>14,445,592.02</u>	<u>12,926,708.76</u>	<u>12,475,336.49</u>	<u>16,410,195.14</u>	<u>21,489,986.13</u>	<u>\$96,174,546.87</u>
6 Over/(Under) Recovery (Line C3-C5)	(2,804,749.12)	(2,980,413.28)	(118,034.75)	602,127.16	(1,097,456.70)	(4,260,148.48)	(\$10,658,675.17)
7 Interest Provision	5,255.37	(6,477.12)	(11,083.76)	(7,816.60)	(6,475.66)	(12,724.32)	(\$39,322.09)
8 2000 Revenue sharing Refund True-Up					221,981.86		<u>\$221,981.86</u>
9 TOTAL ESTIMATED TRUE-UP FOR THE PERIOD JANUARY 2001 - JUNE 2001							<u>(\$10,476,015.40)</u>

**CALCULATION OF ESTIMATED TRUE-UP
GULF POWER COMPANY
FOR THE PERIOD JANUARY 2001 - DECEMBER 2001**

	JULY ACTUAL	AUGUST ESTIMATED	SEPTEMBER ESTIMATED	OCTOBER ESTIMATED	NOVEMBER ESTIMATED	DECEMBER ESTIMATED	TOTAL PERIOD
	(a)	(b)	(c)				(d)
A 1 Fuel Cost of System Generation	18,948,433.07	20,816,613.00	17,785,196.00	16,303,905.00	15,701,505.00	15,421,025.00	\$205,305,849.07
2 Fuel Cost of Power Sold	(3,611,315.29)	(6,310,000.00)	(5,463,000.00)	(6,662,000.00)	(6,051,000.00)	(3,865,000.00)	(\$62,888,086.15)
3 Fuel Cost of Purchased Power	10,044,590.38	9,180,000.00	3,766,000.00	2,608,000.00	1,349,000.00	1,953,000.00	\$57,357,013.78
3a Demand & Non-Fuel Cost Of Purchased Power	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00
3b Energy Payments to Qualified Facilities	261,868.00	36,142.00	18,559.00	977.00	3,576.00	0.00	\$1,522,252.00
4 Energy Cost of Economy Purchases	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00
5 Other Generation	139,042.84	152,512.00	147,434.00	152,512.00	147,434.00	152,513.00	\$1,116,103.72
6 TOTAL FUEL & NET POWER TRANSACTIONS (Sum of Lines A1 Thru A5)	<u>\$25,782,619.00</u>	<u>\$23,875,267.00</u>	<u>\$16,254,189.00</u>	<u>\$12,403,394.00</u>	<u>\$11,150,515.00</u>	<u>\$13,661,538.00</u>	<u>\$202,413,132.42</u>
B 1 Jurisdictional KWH Sales	1,065,436,221	1,087,159,000	910,120,000	746,881,000	690,615,000	818,601,000	10,234,360,436
2 Non-Jurisdictional KWH Sales	35,933,844	36,338,000	31,078,000	26,466,000	25,796,000	29,600,000	351,171,675
3 TOTAL SALES (Lines B1 + B2)	<u>1,101,370,065</u>	<u>1,123,497,000</u>	<u>941,198,000</u>	<u>773,347,000</u>	<u>716,411,000</u>	<u>848,201,000</u>	<u>10,585,532,111</u>
4 Jurisdictional % Of Total Sales (Line B1/B3)	<u>96.7374%</u>	<u>96.7656%</u>	<u>96.6980%</u>	<u>96.5777%</u>	<u>96.3993%</u>	<u>96.5103%</u>	
C 1 Jurisdictional Fuel Recovery Revenue (Net of Revenue Taxes)	(1) \$19,129,576.68	\$19,459,058.94	\$16,290,237.88	\$13,368,423.02	\$12,361,317.89	\$14,652,139.30	\$183,193,466.38
2 True-Up Provision	(387,727.50)	(387,727.50)	(387,727.50)	(387,727.50)	(387,727.50)	(387,727.50)	(\$4,652,730.00)
2a Incentive Provision	(15,079.33)	(15,079.33)	(15,079.33)	(15,079.33)	(15,079.33)	(15,079.56)	(\$180,952.19)
3 FUEL REVENUE APPLICABLE TO PERIOD (Sum of Lines C1 Thru C2a)	<u>\$18,726,769.85</u>	<u>\$19,056,252.11</u>	<u>\$15,887,431.05</u>	<u>\$12,965,616.19</u>	<u>\$11,958,511.06</u>	<u>\$14,249,332.24</u>	<u>\$178,359,784.19</u>
4 Fuel & Net Power Transactions (Line A6)	\$25,782,619.00	\$23,875,267.00	\$16,254,189.00	\$12,403,394.00	\$11,150,515.00	\$13,661,538.00	\$202,413,132.42
5 Jurisdictional Fuel Cost Adj. for Line Losses (Line A6 x Line B4 x 1.0014)	<u>24,976,353.28</u>	<u>23,135,389.63</u>	<u>15,739,480.15</u>	<u>11,995,683.12</u>	<u>10,764,067.03</u>	<u>13,203,250.02</u>	<u>\$195,988,769.10</u>
6 Over/(Under) Recovery (Line C3-C5)	(6,249,583.43)	(4,079,137.52)	147,950.90	969,933.07	1,194,444.03	1,046,082.22	(\$17,628,986.90)
7 Interest Provision	(2) (27,764.67)	(42,879.31)	(47,978.17)	(45,150.89)	(40,668.58)	(36,052.38)	(\$279,816.09)
8 2000 Revenue Sharing Refund True-Up							\$221,981.86
9 TOTAL ESTIMATED TRUE-UP FOR THE PERIOD JANUARY 2001 - DECEMBER 2001							<u>(\$17,686,821.13)</u>

Note 1: Estimated Revenues based on the 2001 Fuel Factor excluding revenue taxes of

1.7899 ¢/KWH

Note 2: Interest Calculated for August through December at July's rate of

0.3146

**COMPARISON OF ESTIMATED/ACTUAL VERSUS ORIGINAL PROJECTIONS
OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR
GULF POWER COMPANY
FOR THE PERIOD JANUARY 2001 - DECEMBER 2001**

	DOLLARS				KWH				¢/KWH			
	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	DIFFERENCE %	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	DIFFERENCE %	ACTUAL	EST.	DIFFERENCE AMT.	DIFFERENCE %
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1 Fuel Cost of System Net Generation (A3)	205,305,849	198,152,168	7,153,681	3.61	12,471,840,000	12,567,070,000	(95,230,000)	(0.76)	1.6462	1.5768	0.0694	4.40
2 Nuclear Fuel Disposal Costs	0	0	0	#N/A	0	0	0	#N/A	#N/A	#N/A	#N/A	#N/A
3 Coal Car Investment	0	0	0	#N/A	0	0	0	#N/A	#N/A	#N/A	#N/A	#N/A
4 Other Generation	1,116,104	1,795,125	(679,021)	(37.83)	63,471,000	102,520,000	(39,049,000)	(38.09)	1.7584	1.751	0.0074	0.42
5 TOTAL COST OF GENERATED POWER	206,421,953	199,947,293	6,474,660	3.24	12,535,311,000	12,669,590,000	(134,279,000)	(1.06)	1.6467	1.5782	0.0685	4.34
6 Fuel Cost of Purchased Power (Exclusive of Economy) (A8)	0	0	0	#N/A	0	0	0	#N/A	#N/A	#N/A	#N/A	#N/A
7 Energy Cost of Schedule C&X Econ. Purchases (Broker) (A9)	0	0	0	#N/A	0	0	0	#N/A	#N/A	#N/A	#N/A	#N/A
8 Energy Cost of Other Economy Purchases (Nonbroker) (A9)	57,357,014	53,410,000	3,947,014	7.39	1,848,477,147	1,609,687,000	238,790,147	14.83	3.1029	3.318	(0.2151)	(6.48)
9 Energy Cost of Schedule E Economy Purchases (A9)	0	0	0	#N/A	0	0	0	#N/A	#N/A	#N/A	#N/A	#N/A
10 Capacity Cost of Schedule E Economy Purchases	0	0	0	#N/A	0	0	0	#N/A	#N/A	#N/A	#N/A	#N/A
11 Energy Payments to Qualifying Facilities (A9a)	1,522,252	210,570	1,311,682	622.92	35,112,392	8,940,000	26,172,392	292.76	4.3354	2.3554	1.9800	84.06
12 TOTAL COST OF PURCHASED POWER	58,879,266	53,620,570	5,258,696	9.81	1,883,589,539	1,618,627,000	264,962,539	16.37	3.1259	3.3127	(0.1868)	(5.64)
13 Total Available KWH (Lines 4 + Line 12)	265,301,219	253,567,863	11,733,356	4.63	14,418,900,539	14,288,217,000	130,683,539	0.91				
14 Fuel Cost of Economy Sales (A6)	(5,828,811)	(4,815,000)	(1,013,811)	(21.06)	(227,987,895)	(193,085,000)	(34,902,895)	(18.08)	(2.5566)	(2.4937)	(0.0629)	(2.52)
15 Gain on Economy Sales (A6)	(1,570,574)	(1,047,000)	(523,574)	(50.01)	0	0	0	#N/A	#N/A	#N/A	#N/A	#N/A
16 Fuel Cost of Unit Power Sales (A6)	(25,045,544)	(21,464,000)	(3,581,544)	(16.69)	(1,279,864,901)	(1,045,364,000)	(234,500,901)	(22.43)	(1.9569)	(2.0533)	0.0964	4.69
17 Fuel Cost of Other Power Sales (A6)	(30,443,157)	(43,126,000)	12,682,843	29.41	(1,650,073,976)	(1,863,676,000)	213,602,024	11.46	(1.8450)	(2.3140)	0.4690	20.27
18 TOTAL FUEL COST AND GAINS ON POWER SALES (LINES 14+15+16+17)	(62,888,086)	(70,452,000)	7,563,914	10.74	(3,157,926,772)	(3,102,125,000)	(55,801,772)	(1.80)	(1.9914)	(2.2711)	0.2797	12.32
19 Net Inadvertent Interchange	0	0	0	#N/A	0	0	0	#N/A	#N/A	#N/A	#N/A	#N/A
20 TOTAL FUEL & NET POWER TRANSACTIONS (LINES 5+12+18+19)	202,413,133	183,115,863	19,297,270	10.54	11,260,973,767	11,186,092,000	74,881,767	0.67	1.7975	1.637	0.1605	9.80
21 Net Unbilled Sales	0	0	0	#N/A	0	0	0	#N/A	#N/A	#N/A	#N/A	#N/A
22 Company Use *	409,270	351,267	58,002	16.51	22,768,825	21,458,000	1,310,825	6.11	1.7975	1.637	0.1605	9.80
23 T & D Losses *	11,731,794	10,656,019	1,075,775	10.10	652,672,831	650,948,000	1,724,831	0.26	1.7975	1.637	0.1605	9.80
24 TERRITORIAL (SYSTEM) SALES	202,413,133	183,115,863	19,297,270	10.54	10,585,532,111	10,513,686,000	71,846,111	0.68	1.9122	1.7417	0.1705	9.79
25 Wholesale Sales	6,698,365	6,202,438	495,927	8.00	351,171,675	356,114,000	(4,942,325)	(1.39)	1.9074	1.7417	0.1657	9.51
26 Jurisdictional Sales	195,714,768	176,913,425	18,801,343	10.63	10,234,360,436	10,157,572,000	76,788,436	0.76	1.9123	1.7417	0.1706	9.80
26a Jurisdictional Loss Multiplier	1.0014	1.0014										
27 Jurisdictional Sales Adj. for Line Losses (Line 26 x 1.0014)	195,988,769	177,161,104	18,827,665	10.63	10,234,360,436	10,157,572,000	76,788,436	0.76	1.915	1.7441	0.1709	9.80
28 TRUE-UP **	4,652,730	4,652,730	0	0.00	10,234,360,436	10,157,572,000	76,788,436	0.76	0.0455	0.0458	(0.0003)	(0.66)
29 TOTAL JURISDICTIONAL FUEL COST	200,641,499	181,813,834	18,827,665	10.36	10,234,360,436	10,157,572,000	76,788,436	0.76	1.9605	1.7899	0.1706	9.53
30 Revenue Tax Factor									1.01609	1.01597		
31 Fuel Factor Adjusted for Revenue Taxes									1.9920	1.8185	0.1736	9.55
32 GPIF Reward / (Penalty) **	183,842	183,842	0	0.00	10,234,360,436	10,157,572,000	76,788,436	0.76	0.0018	0.0018	0.0000	0.00
33 Fuel Factor Adjusted for GPIF Reward / (Penalty)									1.9938	1.8203	0.1735	9.53
34 FUEL FACTOR ROUNDED TO NEAREST .001(CENTS/KWH)									1.994	1.820	0.174	9.56

* Included for Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

Note: Amounts Included in the Estimated/Actual Column represent 7 months actual and 5 months estimate. Amounts Included in the Estimated Original Column represent amounts originally projected.

Schedule CCE-1a

**Purchased Power Capacity Cost Recovery Clause
Calculation of True-up
Gulf Power Company
January 2002 - December 2002**

1	Estimated over/(under)-recovery, January 2001 - December 2001 (Schedule CCE-1b-1, Line 18)	\$1,515,391
2	Final True-Up, January 2000 - December 2000 (Exhibit No.____(TAD-1), filed April 2, 2001)	<u>340,856</u>
3	Total Over/(Under)-Recovery (Line 1 & 2) (To be included in January 2002 - December 2002)	<u>\$1,856,247</u>
4	Jurisdictional KWH sales, January 2002 - December 2002	10,265,886,000
5	True-up Factor (Line 3 / Line 4) x 100 (Cents/KWH)	(0.0181)

Schedule CCE-1b

Purchased Power Capacity Cost Recovery Clause
 Calculation of Estimated True-Up Amount
 Gulf Power Company
 For the Period January 2001 - December 2001

	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Estimated August	Estimated September	Estimated October	Estimated November	Estimated December	Total
1 IIC Payments/(Receipts) (\$)	756,739	478,834	435,604	416,580	449,533	1,656,328	3,291,404	820,247	910,482	81,203	(25,603)	93,860	9,365,211
2 Projected Capacity Payments to Monsanto (\$)	62,202	62,202	62,202	62,202	62,202	62,202	62,202	62,202	62,202	62,202	62,202	62,202	746,424
3 Transmission Revenue (\$)	(35,910)	(11,404)	(39,862)	(13,748)	(14,826)	(52,093)	(5,068)	(23,000)	(25,000)	(81,000)	(91,000)	(38,000)	(430,911)
4 Projected Market Capacity Payments								3,373,375	1,606,063	344,400	344,400	344,400	6,012,638
5 Total Capacity Payments/(Receipts) (Line 1 + 2 + 3 + 4) (\$)	783,031	529,632	457,944	465,034	496,909	1,666,437	3,348,538	4,232,824	2,553,747	406,805	289,999	462,462	15,693,362
6 Jurisdictional %	0.9650747	0.9850747	0.9650747	0.9650747	0.9650747	0.9650747	0.9650747	0.9650747	0.9650747	0.9650747	0.9650747	0.9650747	
7 Jurisdictional Capacity Payments/(Receipts) (Line 5 x Line 6) (\$)	755,683	511,134	441,950	448,793	479,554	1,608,236	3,231,589	4,084,991	2,484,557	392,597	279,871	446,310	15,145,265
8 Amount Included in Retail Base Rate Revenues (\$)	(137,667)	(137,667)	(137,667)	(137,667)	(137,667)	(137,667)	(137,667)	(137,667)	(137,666)	(137,666)	(137,666)	(137,666)	(1,652,000)
9 Total Jurisdictional Recovery Amount (Line 7 - Line 8) (\$)	893,350	648,801	579,617	586,460	617,221	1,745,903	3,369,256	4,222,658	2,602,223	530,263	417,537	583,976	16,797,265
10 Retail KWH Sales								1,087,159,000	910,120,000	746,881,000	690,615,000	818,601,000	
11 Purchased Power Capacity Cost Recovery Factor (#/KWH)								0.176	0.176	0.176	0.176	0.176	
12 Capacity Cost Recovery Revenues (Line 10 x Line 11/100) (\$)	1,612,108	1,149,770	1,266,208	1,292,654	1,510,924	1,740,018	1,897,050	1,913,400	1,601,811	1,314,511	1,215,482	1,440,738	17,954,673
13 Revenue Taxes (Line 12 x .01572) (\$)	25,342	18,074	19,905	20,321	23,752	27,353	29,822	30,079	25,180	20,664	19,107	22,648	282,247
14 True-Up Provision (\$)	46,130	46,130	46,130	46,131	46,130	46,130	46,130	46,131	46,130	46,130	46,130	46,131	553,563
15 Capacity Cost Recovery Revenues net of Revenue Taxes (Line 12 - Line 13 + Line 14) (\$)	1,632,896	1,177,826	1,292,433	1,318,464	1,533,302	1,753,795	1,913,358	1,929,452	1,622,761	1,339,977	1,242,505	1,464,221	18,225,990
16 Over/(Under) Recovery (Line 15 - Line 9) (\$)	739,546	529,025	712,816	732,004	916,081	12,892	(1,455,898)	(2,293,206)	(979,462)	809,714	824,968	880,245	1,428,725
17 Interest Provision (\$)	6,231	8,183	10,228	12,122	13,487	13,954	11,241	5,234	(42)	(455)	1,970	4,513	86,666
18 Total Estimated True-Up for the Period January 2001 - December 2001 (Line 16 + Line 17) (\$)													1,515,391

NOTE: Interest is Calculated for Aug - Dec at July's rate of 0.3146 %
 Actual IIC Payments for January through July include Market Capacity Payments