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August 9, 2002

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FAX -1-850-413-6194

William Cochran Keating
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Proposed Resolution of Issues dated August 9, 2002

Dear Mr. Keating:

Gulf Power Company appreciates having had the opportunity to meet with Staff and the other interested parties in an attempt to resolve all of the issues remaining in this docket. While Gulf agrees with the requirements of paragraphs 1 through 5 of the proposed resolution dated August 9, 2002, the proposed resolution at paragraph 6 would preclude the opportunity for Gulf to present to the Commission the proposed hedging program set forth in the testimony of W. N. McKenzie. Gulf feels that it is important to give the Commission the opportunity to hear testimony and fully develop a record regarding Gulf's proposed hedging plan as that plan has benefits for Gulf's customers. Gulf is still willing to enter into a resolution of the remaining issues in this docket consistent with the above referenced proposed resolution provided that Gulf is still permitted to proceed with testimony on issue 7A and Gulf's proposed hedging program.

Should you have any questions concerning this matter, please do not hesitate to call me at (850)432-2451.

Sincerely,

Russell A. Badders

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Review of investor-owned electric)
utilities' risk management policies and)
procedures)
_____)

Docket No. 011605-EI

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 9th day of August 2002 on the following:

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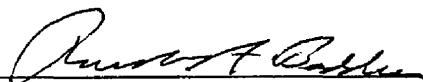
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