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Public Service Commission

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COMMISSION CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE: July 7, 2006
TO: All Parties of Record
FROM: Lisa C. Bennett, Attorney, Office of the General Counsel *LCB*
RE: Docket No. 060001-EI - Fuel and Purchased Power Cost Recovery Clause and
Generating Performance Incentive Factor.

VIA ELECTRONIC MAIL

Please note that the Commission Staff will conduct an informal status meeting with Gulf Power Company (Gulf) in the above-referenced docket at the following time and place:

10:00 a.m. ET (9:00 a.m. CT), Friday, July 21, 2006
Florida Public Service Commission
Room 362, Gerald L. Gunter Building
2540 Shumard Oak Blvd.
Tallahassee, Florida

The purpose of this meeting is to review the development of the issues in the fuel docket. Specific questions to be discussed are attached to this notice. Other discussion items pertinent to the fuel docket may be raised at the meeting.

A teleconference phone number will be provided by electronic mail to all parties.

If you have any questions concerning this meeting, please call me at (850) 413-6230.

- CMP _____
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- SEC 1
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cc: Division of Economic Regulation (Lester, McNulty)
Division of the Commission Clerk and Administrative Services (Docket file)

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Docket No. 060001-EI
Gulf Power Company
Questions for 2nd Quarter Meeting
Period Covered: January 1, 2006 to May 31, 2006

1. What is Gulf Power's level of firm capacity for natural gas storage?
2. Please explain and discuss how Gulf Power has used natural gas storage during 2006.
3. Does Gulf Power plan to expand its use of natural gas storage? Please explain.
4. Please discuss Gulf Power's use of physical and financial hedging of natural gas prices during 2006.
5. For 2006, how does Gulf Power's hedged natural gas prices compare to the prices it forecasted for 2006 in establishing its fuel factor?
6. Has Gulf power experienced any rail congestion problems that affected coal shipments during 2006? Please explain.
7. Why did the value of fuel inventory increase during the first quarter of 2006?
8. Why did sales to affiliates increase during the first quarter of 2006 compared to the first quarter of 2005?
9. Coal prices for Gulf have increased by 29% in the first quarter of 2006 compared to the first quarter of 2005. What are the reasons for this increase in coal prices?
10. Please report on the status of plans to ensure adequate fuel supply during the 2006 hurricane season.
11. During the first 5 months of 2006 there were full or partial outages due to "Boiler Tube Leak Problem" at Crist 4, Crist 6, Daniel 1, Daniel 2, and Smith 2. What was the nature of those problems and what is being done to avoid such problems?
12. During the first 5 months of 2006 there were partial forced outages for "Boiler Control System Problems" throughout the period at Daniel 1 and Daniel 2. What was the nature of those problems and what is being done to avoid such problems?
13. During the current period there were several full outages due to "Induced Draft Fan Problem". What was the nature of these problems and what is being done to avoid such problems?
14. In Feb 2006 at Daniel 2 and Smith 2 there were full outages due to "Operator Error". What was the nature of these operator errors and what is being done to avoid such errors?

15. In February at Crist 7 and in March at Smith 1, there were partial outages due to foreign objects in the pulverizer. What types of foreign objects in the coal cause such outages?

16. In April there was a partial outage of 223 hours for a "Feed water pump motor problem" at Smith 2. What was the reason for the length of this partial outage?

17. Be prepared to discuss the Petition filed by OPC regarding the recommended GPIF changes, including but not limited to questions 18 and 19.

18. Has the utility developed a position on the dead band proposal of OPC? If yes, who will be submitting testimony to support the position? If not, explain.

19. Has the utility developed a position on the absolute values on each unit for minimum system heat rate and minimum availability? If yes, who will be submitting testimony to support the position? If not, explain.