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February 28, 2007

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

Enclosed for official filing in Docket No. 070001-EI are an original and ten copies of the following:

1. Prepared Direct Testimony of H. R. Ball
2. Prepared Direct Testimony of Rhonda J. Martin.

Sincerely,

Susan D. Ritenour

CMP _____
 COM 5
 CTR Org
 ECR 0
 GCL 1
 OPC _____
 RCA 1
 SCR _____
 SGA _____
 SEC _____
 OTH _____

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Enclosures

cc w/encl.: Beggs & Lane
Jeffrey A. Stone, Esq.

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DOCUMENT NUMBER-DATE

01916 MAR-15

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Fuel and Purchased Power Cost**)
Recovery Clause with Generating)
Performance Incentive Factor)

Docket No.: **070001-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by U. S. mail this **28th** day of February, 2007, on the following:

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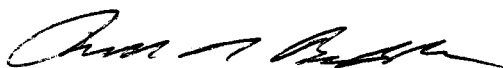
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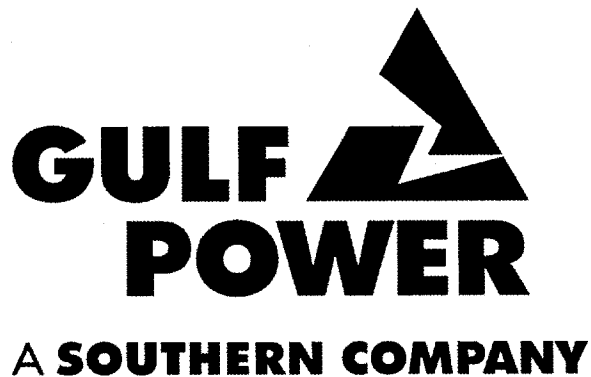
GULF POWER COMPANY

**Before the Florida Public Service
Commission**

**Prepared Direct Testimony & Exhibit of
H. R. Ball**

Docket No. 070001-EI

Date of Filing: March 1, 2007



DOCUMENT NUMBER-DATE

01916 MAR-1 07

FPSC-COMMISSION CLERK

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission

3 Prepared Direct Testimony and Exhibit of

4 H. R. Ball

Docket No. 070001-EI

5 Date of Filing: March 1, 2007

6 Q. Please state your name, business address and occupation.

7 A. My name is H. R. Ball. My business address is One Energy Place,
8 Pensacola, Florida 32520-0780. I am the Fuel Manager for Gulf Power
9 Company.

10 Q. Please briefly describe your educational background and business
11 experience.

12 A. I graduated from the University of Southern Mississippi in Hattiesburg,
13 Mississippi in 1978 with a Bachelor of Science Degree in Chemistry and
14 graduated from the University of Southern Mississippi in Long Beach,
15 Mississippi in 1988 with a Masters of Business Administration. My
16 employment with the Southern Company began in 1978 at Mississippi
17 Power's (MPC) Plant Daniel as a Plant Chemist. In 1982, I transferred to
18 MPC's Fuel Department as a Fuel Business Analyst. I was promoted in
19 1987 to Supervisor of Chemistry and Regulatory Compliance at Plant
20 Daniel. In 1988, I assumed the role of Supervisor of Coal Logistics with
21 Southern Company Fuel Services in Birmingham, Alabama. My
22 responsibilities included administering coal supply and transportation
23 agreements and managing the coal inventory program for the Southern
24 Electric System (SES). I transferred to my current position as Fuel
25 Manager for Gulf Power Company in 2003.

1 Q. What are your duties as Fuel Manager for Gulf Power Company?

2 A. My responsibilities include the management of the Company's fuel
3 procurement, inventory, transportation, budgeting, contract administration,
4 and quality assurance programs to ensure that the generating plants
5 operated by Gulf Power are supplied with an adequate quantity of fuel in a
6 timely manner and at the lowest practical cost. I also have responsibility
7 for the administration of Gulf's Intercompany Interchange Contract (IIC).

8

9 Q. What is the purpose of your testimony in this docket?

10 A. The purpose of my testimony is to summarize Gulf Power Company's fuel
11 expenses, net power transaction expense, purchased power capacity
12 costs, and to certify that these expenses were properly incurred during the
13 period January 1, 2006 through December 31, 2006. Also, it is my intent
14 to be available to answer questions that may arise among the parties to
15 this docket concerning Gulf Power Company's fuel expenses.

16

17 Q. Have you prepared an exhibit that contains information to which you will
18 refer in your testimony?

19 A. Yes, I have.

20 Counsel: We ask that Mr. Ball's Exhibit consisting of two schedules be
21 marked as Exhibit No. _____(HRB-1).

22

23 Q. During the period January 2006 through December 2006, how did Gulf
24 Power Company's recoverable total fuel and net power transaction
25 expenses compare with the projected expenses?

1 A. Gulf's recoverable total fuel cost and net power transaction expense was
2 \$410,603,416 or 16.61% above the projected amount of \$352,122,170.
3 Actual net energy was 12,573,246,757 KWH compared to the projected
4 net energy of 12,466,963,000 KWH or 0.85% above projections. The
5 resulting actual average cost of 3.2657 cents per KWH was 15.62%
6 above the projected cost of 2.8244 cents per KWH. The higher total fuel
7 and net power transaction expense is attributed to higher market coal
8 prices, a higher percentage of energy generated from natural gas fired
9 resources, and a lower quantity and price for power sales than projected
10 for the period. This information is from Schedule A-1, period to date, of
11 the Monthly Fuel Filing for the month of December 2006.

12
13 Q. During the period January 2006 through December 2006 how did Gulf
14 Power Company's recoverable fuel expenses compare with the projected
15 expenses?

16 A. Gulf's recoverable fuel cost of net generation was \$505,235,341 or 1.55%
17 above the projected amount of \$497,510,274. Actual generation was
18 16,349,407 MWH compared to the projected generation of 17,029,410
19 MWH or 3.99% below projections. The resulting actual average fuel cost
20 of 3.0902 cents per KWH was 5.77% above the projected cost of 2.9215
21 cents per KWH. The higher total fuel expense is attributed to the higher
22 cost of coal for the period and a greater percentage of energy generated
23 from natural gas fired resources than projected. Fuel cost for coal
24 including boiler lighter was \$2.51 per MMBTU or 9.13% higher than the
25 estimated amount of \$2.30 per MMBTU. Fuel cost for gas was \$8.66 per

1 MMBTU or 15.35% lower than estimated amount of \$10.23 per MMBTU.
2 The percentage of energy generated from natural gas fired resources was
3 13.05% which was 12.69% higher than the estimate of 11.58%. This
4 information is from Schedule A-3, period to date, of the Monthly Fuel
5 Filing for the month of December 2006.

6
7 Q. How much spot coal did Gulf Power purchase during the period?

8 A. Excluding Plant Scherer Unit 3, Gulf purchased 3,542,177 tons of coal or
9 60% of its total coal purchased on the spot market. Schedule 1 of my
10 exhibit consists of a list of contract and spot coal purchases for the period.

11
12 Q. How did the total projected cost of coal purchased compare with the
13 actual cost?

14 A. The total actual cost of coal purchased was \$386,609,116 (sum of lines
15 17 & 30 period to date on the December 2006, Schedule A-5) compared
16 to the projected cost of \$362,919,558 or 6.53% above projected. The
17 higher cost was due to a greater quantity and higher prices for spot coal
18 purchases than projected for the period.

19
20 Q. How did the total projected cost of coal burned compare to the actual
21 cost?

22 A. The total cost of coal burned was \$370,343,817 (the sum of lines 21 and
23 34 period to date on the December 2006, Schedule A-5). This is 4.42%
24 higher than our projection of \$354,659,995. On a per unit basis, the cost
25 of coal burn including boiler lighter was \$2.51 per MMBTU or 9.13%

1 higher than the estimated amount of \$2.30 per MMBTU. The higher per
2 unit cost of coal is attributed to the unanticipated need to replace lower
3 priced contract coal with higher priced spot coal purchases during the
4 period.

5
6 Q. How did the total projected cost of natural gas burned compare to the
7 actual cost?

8 A. The total cost of natural gas burned for generation was \$132,676,599 (line
9 47 period to date on the December 2006, Schedule A-5). This is 5.29%
10 below our projection of \$140,085,500. The decrease can be attributed to
11 lower than forecasted market prices for natural gas. On cost per unit
12 basis, the actual gas burn cost was \$8.65 per MMBTU which is 17.38%
13 lower than the projected burn cost of \$10.47 per MMBTU.

14
15 Q. For the period in question, what volume of natural gas was actually
16 hedged using a fixed price contract or instrument?

17 A. Gulf Power hedged 7,420,000 MMBTU of natural gas in 2006 using fixed
18 price financial swaps.

19
20 Q. What types of hedging instruments were used by Gulf Power Company
21 and what type and volume of fuel was hedged by each type of
22 instrument?

23 A. Natural gas was hedged using financial swaps that fixed the price of gas
24 to a certain price. These swaps settled against either a NYMEX Last Day
25 price or Gas Daily price. The entire amount (7,420,000 MMBTU) of gas

1 hedged was hedged using these financial instruments as reflected on
2 Schedule 2 of my exhibit.

3 Q. What was the actual total cost (e.g., fees, commissions, option premiums,
4 futures gains and losses, swap settlements) associated with each type of
5 hedging instrument?

6 A. Schedule 2 of my exhibit consists of a table of all natural gas hedge
7 transactions and associated costs. No fees, commissions, or option
8 premiums were paid. Gulf's 2006 hedging program resulted in a net
9 financial loss of \$18,820,316 (hedging settlement costs plus support costs
10 from lines 2 and 3 of Schedule A-1, December period-to-date).

11
12 Q. Did fuel procurement activity during the period in question follow Gulf
13 Power's Risk Management Plan for Fuel Procurement filed with the
14 Florida Public Service Commission on April 3, 2006?

15 A. Yes, Gulf Power's fuel strategy in 2006 complied with the Risk
16 Management Plan, and the actual results achieved compared favorably
17 with the projected results in the plan. Supply of all fuel types and
18 associated transportation to Gulf's generating plants are secured through
19 a combination of long term contracts and spot purchase orders as
20 specified in the plan. The result was that Gulf's generating plants had an
21 adequate supply of fuel available at all times to meet the electric
22 generation demands of its customers. Fuel cost volatility was mitigated by
23 compliance with the Risk Management Plan. Since Gulf purchases
24 physical natural gas requirements at market price, the objective of the
25 financial hedging program is to reduce upside price risk to Gulf's

1 customers in a volatile price market for natural gas. Gulf uses physical
2 hedges to reduce price volatility in the coal procurement program. In
3 2006, Gulf's average cost of fuel consumed was \$3.09 per MMBTU. This
4 was 4.75% higher than the original projection of \$2.95 per MMBTU. Gulf
5 was able to hold per unit fuel costs to very reasonable levels for its
6 customers during a period of coal supply disruptions and volatile market
7 fuel prices by following its Fuel Risk Management Plan.

8
9 Q. Were there any other significant developments in Gulf's fuel procurement
10 program during the period?

11 A. No.

12
13 Q. Should Gulf's fuel purchases for the period be accepted as reasonable
14 and prudent?

15 A. Yes, Gulf's coal supply program is based on a mixture of long term
16 contracts and spot purchases at market prices. Coal suppliers are
17 selected using procedures that assure reliable coal supply, consistent
18 quality, and competitive delivered pricing. The terms and conditions of
19 coal supply agreements have been administered appropriately. Natural
20 gas is purchased using agreements that tie price to published market
21 index schedules and is transported using a combination of firm and
22 interruptible gas transportation agreements. Natural gas storage is
23 utilized to assure that supply is available during times when gas supply is
24 otherwise curtailed or unavailable. Gulf's fuel oil purchases were made
25 from qualified vendors using an open bid process to assure competitive

1 pricing and reliable supply.

2
3 Q. During the period January 2006 through December 2006 how did Gulf
4 Power Company's recoverable fuel cost of power sold compare with the
5 projection?

6 A. Gulf's recoverable fuel cost of power sold for the period is \$143,801,950
7 or 15.95% below the projected amount of \$171,084,000. Total kilowatt
8 hours of power sales was 4,992,979,347 KWH compared to estimated
9 sales of 5,119,655,000 KWH or 2.47% below projections. The resulting
10 average fuel cost of power sold was 2.8801 cents per KWH or 13.81%
11 below the projected amount of 3.3417 cents per KWH. This information is
12 from Schedule A-1, period to date, of the Monthly Fuel Filing for the
13 month of December 2006.

14
15 Q. What are the reasons for the difference between Gulf's original projection of
16 the fuel cost of power sold and the current projection?

17 A. The lower total credit to fuel expense from power sales is attributed to a
18 lower amount of KWH sold and lower replacement fuel costs than originally
19 projected. Lower market prices for natural gas during the period reduced
20 the fuel reimbursement rate (\$/MWH) for power sales.

21
22 Q. During the period January 2006 through December 2006 how did Gulf
23 Power Company's recoverable fuel cost of purchased power compare with
24 the projection?

25 A. Gulf's recoverable fuel cost of purchased power for the period was

1 \$30,902,609 or 20.57% above the estimated amount of \$25,631,000.
2 Total kilowatt hours of purchased power were 1,216,819,104 KWH
3 compared to the estimate of 557,208,000 KWH or 118.38% above
4 projections. The resulting average fuel cost of purchased power was
5 2.5396 cents per KWH or 44.79% below the estimated amount of 4.5999
6 cents per KWH. This information is from Schedule A-1, period to date,
7 of the Monthly Fuel Filing for the month of December 2006.

8
9 Q. What are the reasons for the difference between Gulf's original projection of
10 the fuel cost of purchased power and the current projection?

11 A. The higher total fuel cost of purchased power is attributed to Gulf
12 purchasing a greater amount of KWH at attractive prices to supplement its
13 own generation to meet load demands. The average fuel cost of energy
14 purchases per KWH are lower than projected as a result of lower cost
15 energy being made available to Gulf for purchase during the period and
16 lower natural gas market prices reducing the fuel cost of system pool
17 resources.

18
19 Q. During the period January 2006 through December 2006, how did Gulf's
20 actual net purchased power capacity cost compare with the net projected
21 cost?

22 A. The actual net capacity cost for the January 2006 through December
23 2006 recovery period, shown on line 3 of Schedule CCA-2, was
24 \$29,733,736. Gulf's projected net purchased power capacity cost for the
25 same period was \$29,458,820, as indicated on Line 3 of Schedule CCE-1,

1 filed September 16, 2005. The difference between the actual net capacity
2 cost and the projected net capacity cost for the recovery period is less
3 than 1% or essentially on target with our net position.
4

5 Q. Was Gulf's actual 2006 IIC capacity cost prudently incurred and properly
6 allocated to Gulf?

7 A. Yes. Gulf's capacity costs were incurred in accordance with the reserve
8 sharing provisions of the IIC, a Federal Energy Regulatory Commission
9 approved contract, in which Gulf has been a participant for many years.
10 Gulf's participation in the integrated SES that is governed by the IIC has
11 produced substantial benefits for Gulf's territorial customers and has been
12 recognized as being prudent by the Florida Public Service Commission in
13 previous proceedings and reviews.

14 Per contractual agreement, Gulf and the other SES operating
15 companies are obligated to provide for the continued operation of its
16 electric facilities in the most economical manner that achieves the highest
17 possible service reliability. The coordinated planning of future SES
18 generation resource additions that produce adequate reserve margins for
19 the benefit of all SES operating companies' customers facilitates this
20 "continued operation" in the most economical manner.

21 The IIC provides for mechanisms to facilitate the equitable sharing
22 of the costs associated with the operation of facilities that exist for the
23 mutual benefit of all the operating companies. In 2006, Gulf's reserve
24 sharing cost represents the equitable sharing of the costs that the SES
25 operating companies incurred to ensure that adequate generation reserve

1 levels are available to provide reliable electric service to territorial
2 customers. This cost has been properly allocated to Gulf per the terms of
3 the IIC.

4

5 Q. Mr. Ball, does this complete your testimony?

6 A. Yes.

7

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**GULF POWER COMPANY
COAL SUPPLIERS
January 1, 2006 – December 31, 2006**

<u>Contract Coal Suppliers</u>	<u>Tons Purchased (1)(2)</u>
Peabody Coaltrade LLC	756,948
Interocean Coal Sales, LDC	704,092
International Coal Group, LLC	247,581
Twentymile Coal Company (Plant Daniel)	543,525
Interocean Coal Sales, LDC (Plant Daniel)	135,180
Oxbow Carbon & Minerals (Plant Daniel)	60,429
TOTAL Contract Coal	<u>2,387,326</u>
<u>Spot Coal Suppliers</u>	<u>Tons Purchased (1)(2)</u>
Interocean Coal Sales, LDC	1,207,121
Glencore Ltd.	730,529
Peabody Coaltrade LLC	302,596
The American Coal Company	163,188
Drummond Coal Sales, Inc.	75,965
Powell Mountain Coal Company	41,435
Logan & Kanawha Coal Co., Inc.	9,312
Arch Coal Inc. (Plant Daniel)	643,476
Arch Coal Sales Company, Inc. (Plant Daniel)	60,652
Interocean Coal Sales, LDC (Plant Daniel)	64,233
Twentymile Coal Company (Plant Daniel)	128,108
Glencore Ltd. (Plant Daniel)	78,015
Oxbow Carbon & Minerals (Plant Daniel)	24,033
Roundup Trading Int., LLC (Plant Daniel)	13,514
TOTAL Spot Coal	<u>3,542,177</u>
GRAND TOTAL COAL PURCHASES	<u><u>5,929,502</u></u>

(1) Excludes Plant Scherer.

Florida Public Service Commission
Docket No. 070001-EI
GULF POWER COMPANY
Witness: H. R. Ball
Exhibit No. _____ (HRB-1)
Schedule 2
Page 1 of 1

This information has been provided pursuant to the Request for Confidential
Classification filed on March 1, 2007.

Invoice for	GULF for the	NYMEX	Settlement	for March 2006	3/31/2006
Totals by					
Counter Party	Swap Total	Option Total	Counter Party Total		
BANKAMER	\$ (206,840.00)	\$ -	\$ (206,840.00)		
BARCLAYS	\$ (390,680.00)	\$ -	\$ (390,680.00)		
CIBC	\$ (1,151,430.00)	\$ -	\$ (1,151,430.00)		
DEUTSCHE	\$ (221,400.00)	\$ -	\$ (221,400.00)		
JPMORGAN	\$ (60,920.00)	\$ -	\$ (60,920.00)		
MITSUMI	\$ (338,480.00)	\$ -	\$ (338,480.00)		
Total for GULF	\$ (2,369,750.00)	\$ -	\$ (2,369,750.00)		

Florida Public Service Commission
Docket No. 070001-EI
GULF POWER COMPANY
Witness: H. R. Ball
Exhibit No. _____ (HRB11)
Schedule 2
Page 3 of 18

Swap Deal Detail												
OpCo	ContractID	CounterParty	DealType	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePrice	SoCoPrice	SoCoNdx	SoCoSettlePr	SettleAmount
GULF	50	BANKAMER	Swap		6-Mar	30000						
GULF	50	BANKAMER	Swap		6-Mar	20000						
GULF	50	BANKAMER	Swap		6-Mar	20000						
GULF	50	BANKAMER	Swap		6-Mar	10000						
BANKAMER Total:												
GULF	50	BARCLAYS	Swap		6-Mar	50000						
GULF	50	BARCLAYS	Swap		6-Mar	30000						
GULF	50	BARCLAYS	Swap		6-Mar	40000						
GULF	50	BARCLAYS	Swap		6-Mar	20000						
GULF	50	BARCLAYS	Swap		6-Mar	30000						
GULF	50	BARCLAYS	Swap		6-Mar	30000						
BARCLAYS Total:												
GULF	50	CIBC	Swap		6-Mar	10000						
GULF	50	CIBC	Swap		6-Mar	250000						
GULF	50	CIBC	Swap		6-Mar	30000						
GULF	50	CIBC	Swap		6-Mar	30000						
GULF	50	CIBC	Swap		6-Mar	30000						
GULF	50	CIBC	Swap		6-Mar	20000						
GULF	50	CIBC	Swap		6-Mar	60000						
GULF	50	CIBC	Swap		6-Mar	20000						
CIBC Total:												
GULF	50	DEUTSCHE	Swap		6-Mar	30000						
GULF	50	DEUTSCHE	Swap		6-Mar	20000						
GULF	50	DEUTSCHE	Swap		6-Mar	10000						
GULF	50	DEUTSCHE	Swap		6-Mar	20000						
GULF	50	DEUTSCHE	Swap		6-Mar	20000						
GULF	50	DEUTSCHE	Swap		6-Mar	30000						
GULF	50	DEUTSCHE	Swap		6-Mar	20000						
DEUTSCHE Total:												
GULF	50	JPMORGAN	Swap		6-Mar	50000						
GULF	50	JPMORGAN	Swap		6-Mar	30000						
GULF	50	JPMORGAN	Swap		6-Mar	40000						
GULF	50	JPMORGAN	Swap		6-Mar	20000						
JPMORGAN Total:												
GULF	50	MITSUMI	Swap		6-Mar	20000						
GULF	50	MITSUMI	Swap		6-Mar	20000						
GULF	50	MITSUMI	Swap		6-Mar	30000						
GULF	50	MITSUMI	Swap		6-Mar	10000						
GULF	50	MITSUMI	Swap		6-Mar	80000						
GULF	50	MITSUMI	Swap		6-Mar	30000						
GULF	50	MITSUMI	Swap		6-Mar	10000						
MITSUMI Total:												

Invoice for	GULF for the	NYMEX	Settlement	for April 2006	5/1/2006

Totals by					
Counter Party	Swap Total	Option Total	Counter Party Total		
BANKAMER	\$ (201,370.00)	\$ -	\$ (201,370.00)		
BARCLAYS	\$ (11,120.00)	\$ -	\$ (11,120.00)		
CIBC	\$ (29,220.00)	\$ -	\$ (29,220.00)		
DEUTSCHE	\$ (350,540.00)	\$ -	\$ (350,540.00)		
JPMORGAN	\$ (308,210.00)	\$ -	\$ (308,210.00)		
MITSUI	\$ 4,600.00	\$ -	\$ 4,600.00		
System-PPLR	\$ (80,540.00)	\$ -	\$ (80,540.00)		
Total for GULF	\$ (976,400.00)	\$ -	\$ (976,400.00)		

Florida Public Service Commission
Docket No. 070001-EI
GULF POWER COMPANY
Witness: H. R. Ball
Exhibit No. _____ (HRB□1)
Schedule 2
Page 4 of 18

Swap Deal Detail													
OpCo	ContractID	CounterParty	DealType	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePrice	SoCoPrice	SoCoNdx	SoCoSettleP	SettleAmount	
GULF		50 BANKAMER	Swap		6-Apr	50000							
GULF		50 BANKAMER	Swap		6-Apr	20000							
GULF		50 BANKAMER	Swap		6-Apr	20000							
GULF		50 BANKAMER	Swap		6-Apr	40000							
GULF		50 BANKAMER	Swap		6-Apr	20000							
		BANKAMER Total:											
GULF		50 BARCLAYS	Swap		6-Apr	50000							
GULF		50 BARCLAYS	Swap		6-Apr	60000							
GULF		50 BARCLAYS	Swap		6-Apr	10000							
GULF		50 BARCLAYS	Swap		6-Apr	20000							
GULF		50 BARCLAYS	Swap		6-Apr	20000							
		BARCLAYS Total:											
GULF		50 BARCLAYS	Swap		6-Apr	50000							
GULF		50 BARCLAYS	Swap		6-Apr	20000							
GULF		50 BARCLAYS	Swap		6-Apr	50000							
GULF		50 BARCLAYS	Swap		6-Apr	60000							
		BARCLAYS Total:											
GULF		50 CIBC	Swap		6-Apr	10000							
GULF		50 CIBC	Swap		6-Apr	50000							
GULF		50 CIBC	Swap		6-Apr	20000							
GULF		50 CIBC	Swap		6-Apr	20000							
GULF		50 CIBC	Swap		6-Apr	40000							
GULF		50 CIBC	Swap		6-Apr	20000							
GULF		50 CIBC	Swap		6-Apr	20000							
GULF		50 CIBC	Swap		6-Apr	30000							
GULF		50 CIBC	Swap		6-Apr	50000							
		CIBC Total:											

GULF	50 DEUTSCHE	Swap	6-Apr	50000
GULF	50 DEUTSCHE	Swap	6-Apr	70000
GULF	50 DEUTSCHE	Swap	6-Apr	30000
GULF	50 DEUTSCHE	Swap	6-Apr	30000
GULF	50 DEUTSCHE	Swap	6-Apr	40000
GULF	50 DEUTSCHE	Swap	6-Apr	20000
GULF	50 DEUTSCHE	Swap	6-Apr	20000
GULF	50 DEUTSCHE	Swap	6-Apr	50000
GULF	50 DEUTSCHE	Swap	6-Apr	70000
	DEUTSCHE Total:			
GULF	50 JPMORGAN	Swap	6-Apr	60000
GULF	50 JPMORGAN	Swap	6-Apr	10000
GULF	50 JPMORGAN	Swap	6-Apr	10000
GULF	50 JPMORGAN	Swap	6-Apr	30000
GULF	50 JPMORGAN	Swap	6-Apr	50000
GULF	50 JPMORGAN	Swap	6-Apr	60000
	JPMORGAN Total:			
GULF	50 MITSUI	Swap	6-Apr	30000
GULF	50 MITSUI	Swap	6-Apr	50000
GULF	50 MITSUI	Swap	6-Apr	50000
GULF	50 MITSUI	Swap	6-Apr	10000
GULF	50 MITSUI	Swap	6-Apr	80000
GULF	50 MITSUI	Swap	6-Apr	20000
GULF	50 MITSUI	Swap	6-Apr	50000
	MITSUMI Total:			



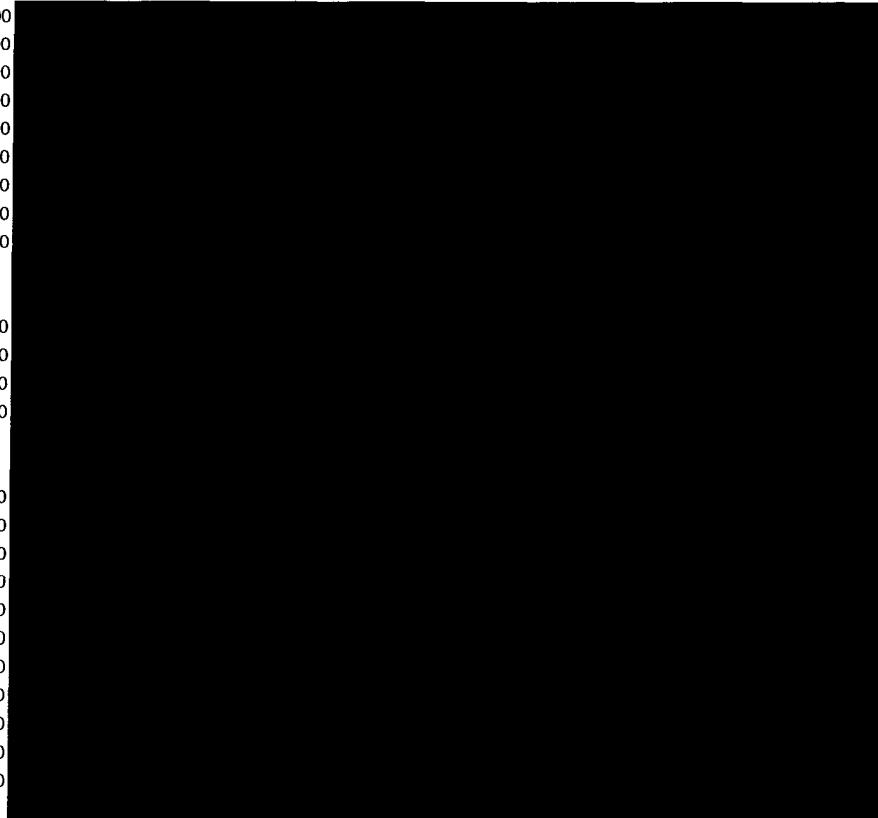
Invoice for	GULF for the	NYMEX	Settlement	for May 2006	5/31/2006	
Totals by						

Counter Party	Swap Total	Option Total	Counter Party Total
BANKAMER	\$ (188,560.00)	\$ -	\$ (188,560.00)
BARCLAYS	\$ (106,600.00)	\$ -	\$ (106,600.00)
CIBC	\$ (330,225.00)	\$ -	\$ (330,225.00)
DEUTSCHE	\$ (436,150.00)	\$ -	\$ (436,150.00)
JPMORGAN	\$ (84,510.00)	\$ -	\$ (84,510.00)
mitsui	\$ (202,800.00)	\$ -	\$ (202,800.00)
Total for GULF	\$ (1,348,845.00)	\$ -	\$ (1,348,845.00)

Florida Public Service Commission
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Witness: H. R. Ball
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Swap Deal Detail												
OpCo	ContractID	CounterParty	DealType	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePric	SoCoPrice	SoCoNdx	SettlePrice	SettleAmount
GULF		50 BANKAMER	Swap		6-May	50000						
GULF		50 BANKAMER	Swap		6-May	20000						
GULF		50 BANKAMER	Swap		6-May	20000						
GULF		50 BANKAMER	Swap		6-May	40000						
GULF		50 BANKAMER	Swap		6-May	20000						
GULF		50 BANKAMER	Swap		6-May	20000						
		BANKAMER Total:										
GULF		50 BARCLAYS	Swap		6-May	50000						
GULF		50 BARCLAYS	Swap		6-May	20000						
GULF		50 BARCLAYS	Swap		6-May	70000						
GULF		50 BARCLAYS	Swap		6-May	50000						
GULF		50 BARCLAYS	Swap		6-May	60000						
GULF		50 BARCLAYS	Swap		6-May	20000						
GULF		50 BARCLAYS	Swap		6-May	20000						
GULF		50 BARCLAYS	Swap		6-May	70000						
GULF		50 BARCLAYS	Swap		6-May	50000						
		BARCLAYS Total:										
GULF		50 CIBC	Swap		6-May	100000						
GULF		50 CIBC	Swap		6-May	30000						
GULF		50 CIBC	Swap		6-May	20000						
GULF		50 CIBC	Swap		6-May	30000						
GULF		50 CIBC	Swap		6-May	10000						
GULF		50 CIBC	Swap		6-May	40000						
GULF		50 CIBC	Swap		6-May	50000						
GULF		50 CIBC	Swap		6-May	20000						
GULF		50 CIBC	Swap		6-May	20000						
GULF		50 CIBC	Swap		6-May	40000						
GULF		50 CIBC	Swap		6-May	50000						
GULF		50 CIBC	Swap		6-May	90000						
		CIBC Total:										

GULF	50 DEUTSCHE	Swap	6-May	30000
GULF	50 DEUTSCHE	Swap	6-May	30000
GULF	50 DEUTSCHE	Swap	6-May	40000
GULF	50 DEUTSCHE	Swap	6-May	70000
GULF	50 DEUTSCHE	Swap	6-May	20000
GULF	50 DEUTSCHE	Swap	6-May	20000
GULF	50 DEUTSCHE	Swap	6-May	40000
GULF	50 DEUTSCHE	Swap	6-May	20000
GULF	50 DEUTSCHE	Swap	6-May	70000
DEUTSCHE Total:				
GULF	50 JPMORGAN	Swap	6-May	70000
GULF	50 JPMORGAN	Swap	6-May	20000
GULF	50 JPMORGAN	Swap	6-May	20000
GULF	50 JPMORGAN	Swap	6-May	70000
JPMORGAN Total:				
GULF	50 MITSUI	Swap	6-May	50000
GULF	50 MITSUI	Swap	6-May	30000
GULF	50 MITSUI	Swap	6-May	70000
GULF	50 MITSUI	Swap	6-May	30000
GULF	50 MITSUI	Swap	6-May	20000
GULF	50 MITSUI	Swap	6-May	20000
GULF	50 MITSUI	Swap	6-May	20000
GULF	50 MITSUI	Swap	6-May	60000
GULF	50 MITSUI	Swap	6-May	20000
GULF	50 MITSUI	Swap	6-May	70000
GULF	50 MITSUI	Swap	6-May	30000
MITSUI Total:				



Invoice for	GULF for the	NYMEX	Settlement	for June 2006	6/29/2006

Totals by					
Counter Party	Swap Total	Option Total	Counter Party Total		
BANKAMER	\$ (459,960.00)	\$ -	\$ (459,960.00)		
BARCLAYS	\$ (329,740.00)	\$ -	\$ (329,740.00)		
CIBC	\$ (629,801.00)	\$ -	\$ (629,801.00)		
DEUTSCHE	\$ (365,750.00)	\$ -	\$ (365,750.00)		
JPMORGAN	\$ (52,060.00)	\$ -	\$ (52,060.00)		
mitsui	\$ (137,259.00)	\$ -	\$ (137,259.00)		
Suisse	\$ 6,120.00	\$ -	\$ 6,120.00		
GAS DAILY	\$ 89,160.00	\$ -	\$ 89,160.00		
Total for GULF	\$ (1,879,290.00)	\$ -	\$ (1,879,290.00)		

Florida Public Service Commission
Docket No. 070001-EI
GULF POWER COMPANY
Witness: H. R. Ball
Exhibit No. _____ (HRB01)
Schedule 2
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OpCo	ContractID	CounterParty	DealType	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePric	SoCoPrice	SoCoNdx	SettlePrice	SettleAmount
GULF	50	BANKAMER	Swap	6-Jun	50000							
GULF	50	BANKAMER	Swap	6-Jun	40000							
GULF	50	BANKAMER	Swap	6-Jun	30000							
GULF	50	BANKAMER	Swap	6-Jun	30000							
GULF	50	BANKAMER	Swap	6-Jun	30000							
GULF	50	BANKAMER	Swap	6-Jun	50000							
GULF	50	BANKAMER	Swap	6-Jun	30000							
GULF	50	BANKAMER	Swap	6-Jun	10000							
GULF	50	BANKAMER	Swap	6-Jun	50000							
BANKAMER Total:												
GULF	50	BARCLAYS	Swap	6-Jun	50000							
GULF	50	BARCLAYS	Swap	6-Jun	40000							
GULF	50	BARCLAYS	Swap	6-Jun	100000							
GULF	50	BARCLAYS	Swap	6-Jun	30000							
GULF	50	BARCLAYS	Swap	6-Jun	10000							
GULF	50	BARCLAYS	Swap	6-Jun	60000							
GULF	50	BARCLAYS	Swap	6-Jun	30000							
GULF	50	BARCLAYS	Swap	6-Jun	20000							
GULF	50	BARCLAYS	Swap	6-Jun	20000							
GULF	50	BARCLAYS	Swap	6-Jun	10000							
GULF	50	BARCLAYS	Swap	6-Jun	20000							
GULF	50	BARCLAYS	Swap	6-Jun	10000							
GULF	50	BARCLAYS	Swap	6-Jun	60000							
BARCLAYS Total:												
GULF	50	CIBC	Swap	6-Jun	100000							
GULF	50	CIBC	Swap	6-Jun	30000							
GULF	50	CIBC	Swap	6-Jun	40000							
GULF	50	CIBC	Swap	6-Jun	30000							
GULF	50	CIBC	Swap	6-Jun	30000							
GULF	50	CIBC	Swap	6-Jun	30000							
GULF	50	CIBC	Swap	6-Jun	10000							
GULF	50	CIBC	Swap	6-Jun	30000							
GULF	50	CIBC	Swap	6-Jun	10000							
GULF	50	CIBC	Swap	6-Jun	60000							
GULF	50	CIBC	Swap	6-Jun	20000							
GULF	50	CIBC	Swap	6-Jun	30000							
CIBC Total:												

Invoice for	GULF for the	NYMEX	Settlement	for July 2006
Totals by				
Counter Party	Swap Total	Option Total	Counter Party Total	
BANKAMER	\$ (581,220.00)	\$ -	\$ (581,220.00)	
BARCLAYS	\$ (449,840.00)	\$ -	\$ (449,840.00)	
CIBC	\$ (1,059,710.00)	\$ -	\$ (1,059,710.00)	
DEUTSCHE	\$ (444,250.00)	\$ -	\$ (444,250.00)	
JPMORGAN	\$ (191,500.00)	\$ -	\$ (191,500.00)	
MITSUMI	\$ (358,190.00)	\$ -	\$ (358,190.00)	
Suisse	\$ 23,870.00	\$ -	\$ 23,870.00	
GAS DAILY	\$ 40,083.00	\$ -	\$ 40,083.00	
Total for GULF	\$ (3,020,757.00)	\$ -	\$ (3,020,757.00)	

OpCo	ContractID	CounterParty	DealType	DealNumber	TransactionDate	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePri	SoCoPrice	SoCoNdx	SoCoSettlePri	SettleAmount
GULF	50	BANKAMER	Swap	2005.34469	1/3/2005 17:40	6-Jul	50000							
GULF	50	BANKAMER	Swap	2005.35953	9/14/2005 15:24	6-Jul	40000							
GULF	50	BANKAMER	Swap	2005.35964	9/15/2005 20:17	6-Jul	30000							
GULF	50	BANKAMER	Swap	2005.35988	9/20/2005 15:14	6-Jul	30000							
GULF	50	BANKAMER	Swap	2006.36647	1/4/2006 17:41	6-Jul	30000							
GULF	50	BANKAMER	Swap	2006.3749	6/26/2006 18:12	6-Jul	30000							
GULF	50	BANKAMER	Swap	2006.37552	7/11/2006 15:28	6-Jul	20000							
GULF	50	BANKAMER	Swap	2006.3749	6/26/2006 18:12	6-Jul	30000							
GULF	50	BANKAMER	Swap	2006.3766	7/25/2006 17:52	6-Jul	20000							
BANKAMER Total:														
GULF	50	BARCLAYS	Swap	2004.33789	8/16/2004 19:04	6-Jul	50000							
GULF	50	BARCLAYS	Swap	2005.36108	9/30/2005 15:12	6-Jul	40000							
GULF	50	BARCLAYS	Swap	2006.36679	1/9/2006 19:21	6-Jul	10000							
GULF	50	BARCLAYS	Swap	2006.3712	4/28/2006 16:41	6-Jul	100000							
GULF	50	BARCLAYS	Swap	2006.3744	6/22/2006 16:24	6-Jul	50000							
GULF	50	BARCLAYS	Swap	2006.37482	6/26/2006 16:11	6-Jul	30000							
GULF	50	BARCLAYS	Swap	2006.37518	6/30/2006 14:34	6-Jul	100000							
GULF	50	BARCLAYS	Swap	2006.37565	7/13/2006 14:42	6-Jul	30000							
GULF	50	BARCLAYS	Swap	2006.37608	7/20/2006 14:23	6-Jul	20000							
GULF	50	BARCLAYS	Swap	2006.3744	6/22/2006 16:24	6-Jul	50000							
GULF	50	BARCLAYS	Swap	2006.37482	6/26/2006 16:11	6-Jul	30000							
GULF	50	BARCLAYS	Swap	2006.37682	7/27/2006 16:10	6-Jul	70000							
BARCLAYS Total:														
GULF	50	CIBC	Swap	2004.33827	8/18/2004 16:02	6-Jul	100000							
GULF	50	CIBC	Swap	2005.36022	9/22/2005 18:31	6-Jul	30000							
GULF	50	CIBC	Swap	2005.36039	9/23/2005 18:17	6-Jul	40000							
GULF	50	CIBC	Swap	2005.36051	9/26/2005 15:45	6-Jul	30000							
GULF	50	CIBC	Swap	2005.3613	10/5/2005 17:49	6-Jul	30000							
GULF	50	CIBC	Swap	2005.36603	12/27/2005 19:30	6-Jul	100000							
GULF	50	CIBC	Swap	2006.36658	1/5/2006 18:46	6-Jul	30000							
GULF	50	CIBC	Swap	2006.37425	6/21/2006 18:04	6-Jul	30000							
GULF	50	CIBC	Swap	2006.37478	6/26/2006 16:00	6-Jul	80000							
GULF	50	CIBC	Swap	2006.375	6/26/2006 20:24	6-Jul	70000							
GULF	50	CIBC	Swap	2006.37548	7/10/2006 15:54	6-Jul	20000							
GULF	50	CIBC	Swap	2006.37425	6/21/2006 18:04	6-Jul	30000							
GULF	50	CIBC	Swap	2006.37645	7/24/2006 15:20	6-Jul	20000							
GULF	50	CIBC	Swap	2006.37478	6/26/2006 16:00	6-Jul	80000							
GULF	50	CIBC	Swap	2006.375	6/26/2006 20:24	6-Jul	70000							
CIBC Total:														

GULF	50	DEUTSCHE	Swap	2005.36099	9/29/2005 15:20	6-Jul	30000
GULF	50	DEUTSCHE	Swap	2005.36117	10/3/2005 16:06	6-Jul	30000
GULF	50	DEUTSCHE	Swap	2006.36692	1/12/2006 20:40	6-Jul	20000
GULF	50	DEUTSCHE	Swap	2006.37436	6/22/2006 15:41	6-Jul	30000
GULF	50	DEUTSCHE	Swap	2006.37467	6/23/2006 17:07	6-Jul	30000
GULF	50	DEUTSCHE	Swap	2006.37494	6/26/2006 18:46	6-Jul	80000
GULF	50	DEUTSCHE	Swap	2006.37524	7/5/2006 14:42	6-Jul	20000
GULF	50	DEUTSCHE	Swap	2006.37573	7/14/2006 15:24	6-Jul	90000
GULF	50	DEUTSCHE	Swap	2006.37602	7/19/2006 16:07	6-Jul	30000
GULF	50	DEUTSCHE	Swap	2006.37436	6/22/2006 15:41	6-Jul	30000
GULF	50	DEUTSCHE	Swap	2006.37467	6/23/2006 17:07	6-Jul	30000
GULF	50	DEUTSCHE	Swap	2006.37494	6/26/2006 18:46	6-Jul	80000
DEUTSCHE Total:							
GULF	50	JPMORGAN	Swap	2006.36884	3/2/2006 19:54	6-Jul	100000
GULF	50	JPMORGAN	Swap	2006.37463	6/23/2006 16:09	6-Jul	50000
GULF	50	JPMORGAN	Swap	2006.37486	6/26/2006 17:48	6-Jul	30000
GULF	50	JPMORGAN	Swap	2006.3756	7/12/2006 15:26	6-Jul	20000
GULF	50	JPMORGAN	Swap	2006.37463	6/23/2006 16:09	6-Jul	50000
GULF	50	JPMORGAN	Swap	2006.37486	6/26/2006 17:48	6-Jul	30000
GULF	50	JPMORGAN	Swap	2006.37626	7/21/2006 14:58	6-Jul	90000
JPMORGAN Total:							
GULF	50	mitsui	Swap	2004.33811	8/17/2004 18:54	6-Jul	50000
GULF	50	mitsui	Swap	2005.36137	10/6/2005 22:12	6-Jul	30000
GULF	50	mitsui	Swap	2006.37447	6/22/2006 20:35	6-Jul	50000
GULF	50	mitsui	Swap	2006.3746	6/23/2006 15:31	6-Jul	30000
GULF	50	mitsui	Swap	2006.37542	7/7/2006 16:01	6-Jul	70000
GULF	50	mitsui	Swap	2006.3758	7/17/2006 16:10	6-Jul	40000
GULF	50	mitsui	Swap	2005.36609	12/27/2005 19:46	6-Jul	40000
GULF	50	mitsui	Swap	2006.37447	6/22/2006 20:35	6-Jul	50000
GULF	50	mitsui	Swap	2006.3746	6/23/2006 15:31	6-Jul	30000
GULF	50	mitsui	Swap	2006.37671	7/26/2006 14:19	6-Jul	30000
mitsui Total:							
GULF	50	Suisse	Swap	2006.37456	6/23/2006 15:15	6-Jul	30000
GULF	50	Suisse	Swap	2006.37509	6/27/2006 14:33	6-Jul	50000
GULF	50	Suisse	Swap	2006.37532	7/6/2006 14:31	6-Jul	20000
GULF	50	Suisse	Swap	2006.3759	7/18/2006 14:49	6-Jul	20000
GULF	50	Suisse	Swap	2006.37456	6/23/2006 15:15	6-Jul	30000
GULF	50	Suisse	Swap	2006.37509	6/27/2006 14:33	6-Jul	50000
Suisse Total:							

Option Deals														
OpCo	ContractID	CounterParty	DealType	BuySell	DealNumber	TransactionDate	ContractMonth	HedgeMonth	Quantity	StrikePrice	SettlePrice	SettlementN	StrikeFlag	SettleAmount
GULF	50	mitsui	Put-mm	Sell	2004.32622	1/5/2004 19:20	6-Jul	6-Jul	300000					
GULF	50	mitsui	Put-mm	Buy	2004.33444	6/25/2004 16:38	6-Jul	6-Jul	300000					
mitsui Total:														

Swap Deal Detail														
OpCo	ContractID	CounterParty	DealType	DealNumber	ContractMonth	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePr	SoCoNdx	SoCoAdd	SoCoSettlePi	SettleAmount
GULF	50	mitsui	Swap	2006.37444	6-Jul	6-Jul	310000		0 Gas Dly					
mitsui Total:														

GULF	50 DEUTSCHE	Swap	2005.36099	9/29/2005 15:20	6-Aug	30000
GULF	50 DEUTSCHE	Swap	2005.36117	10/3/2005 16:06	6-Aug	30000
GULF	50 DEUTSCHE	Swap	2006.36692	1/12/2006 20:40	6-Aug	20000
GULF	50 DEUTSCHE	Swap	2006.37622	7/20/2006 18:19	Aug-06	70000
GULF	50 DEUTSCHE	Swap	2006.37667	7/25/2006 19:24	Aug-06	70000
GULF	50 DEUTSCHE	Swap	2006.37688	7/31/2006 15:11	Aug-06	20000
GULF	50 DEUTSCHE	Swap	2006.37747	8/9/2006 15:09	Aug-06	30000
GULF	50 DEUTSCHE	Swap	2006.37789	8/16/2006 14:31	Aug-06	30000
GULF	50 DEUTSCHE	Swap	2006.37622	7/20/2006 18:19	6-Aug	70000
GULF	50 DEUTSCHE	Swap	2006.37667	7/25/2006 19:24	6-Aug	70000
GULF	50 DEUTSCHE	Swap	2006.37877	8/28/2006 14:28	Aug-06	30000

DEUTSCHE Total:

GULF	50 JPMORGAN	Swap	2006.37613	7/20/2006 15:09	6-Aug	50000
GULF	50 JPMORGAN	Swap	2006.37613	7/20/2006 15:09	Aug-06	50000
GULF	50 JPMORGAN	Swap	2006.3765	7/24/2006 18:50	Aug-06	40000
GULF	50 JPMORGAN	Swap	2006.37704	8/2/2006 14:25	Aug-06	20000
GULF	50 JPMORGAN	Swap	2006.37741	8/8/2006 15:43	Aug-06	20000
GULF	50 JPMORGAN	Swap	2006.3782	8/21/2006 14:51	Aug-06	30000
GULF	50 JPMORGAN	Swap	2006.3765	7/24/2006 18:50	6-Aug	40000
GULF	50 JPMORGAN	Swap	2006.36884	3/2/2006 19:54	6-Aug	100000
GULF	50 JPMORGAN	Swap	2006.37894	8/29/2006 15:38	Aug-06	40000

JPMORGAN Total:

GULF	50 MITSUI	Swap	2004.33811	8/17/2004 18:54	6-Aug	50000
GULF	50 MITSUI	Swap	2005.36137	10/6/2005 22:12	Aug-06	30000
GULF	50 MITSUI	Swap	2006.37617	7/20/2006 15:20	Aug-06	30000
GULF	50 MITSUI	Swap	2006.37692	8/1/2006 14:21	Aug-06	20000
GULF	50 MITSUI	Swap	2006.37732	8/7/2006 18:23	Aug-06	20000
GULF	50 MITSUI	Swap	2006.37762	8/11/2006 18:50	Aug-06	60000
GULF	50 MITSUI	Swap	2006.37797	8/17/2006 15:17	Aug-06	30000
GULF	50 MITSUI	Swap	2006.37617	7/20/2006 15:20	6-Aug	30000
GULF	50 MITSUI	Swap	2006.37852	8/24/2006 14:37	Aug-06	30000

MITSUMI Total:

GULF	50 Suisse	Swap	2006.3764	7/21/2006 22:50	6-Aug	70000
GULF	50 Suisse	Swap	2006.3764	7/21/2006 22:50	Aug-06	70000
GULF	50 Suisse	Swap	2006.37805	8/18/2006 14:43	Aug-06	60000

Suisse Total:

Option Deals

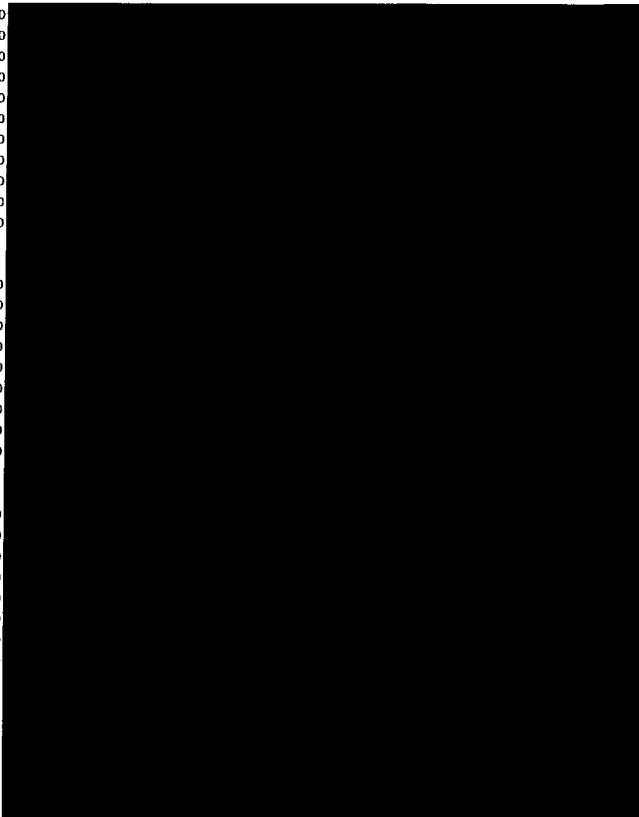
OpCo	ContractID	CounterParty	DealType	BuySell	DealNumber	TransactionDate	ContractMor	HedgeMonth	Quantity	StrikePrice	SettlePrice	SettlementN	StrikeFlag	SettleAmount
GULF		50 MITSUI	Put-mm	Sell	2004.32622	1/5/2004 19:20	6-Aug	6-Aug	300000					
GULF		50 MITSUI	Put-mm	Buy	2004.33444	6/25/2004 16:38	6-Aug	6-Aug	300000					

MITSUMI Total:

Swap Deal Detail

OpCo	ContractID	CounterParty	DealType	DealNumber	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePric	SoCoPrice	SoCoNdx	SoCoAdd	SoCoSettleP	SettleAmount
GULF		50 Suisse	Swap	2006.37642		6-Aug	310000	0 Gas Dly						

Suisse Total:

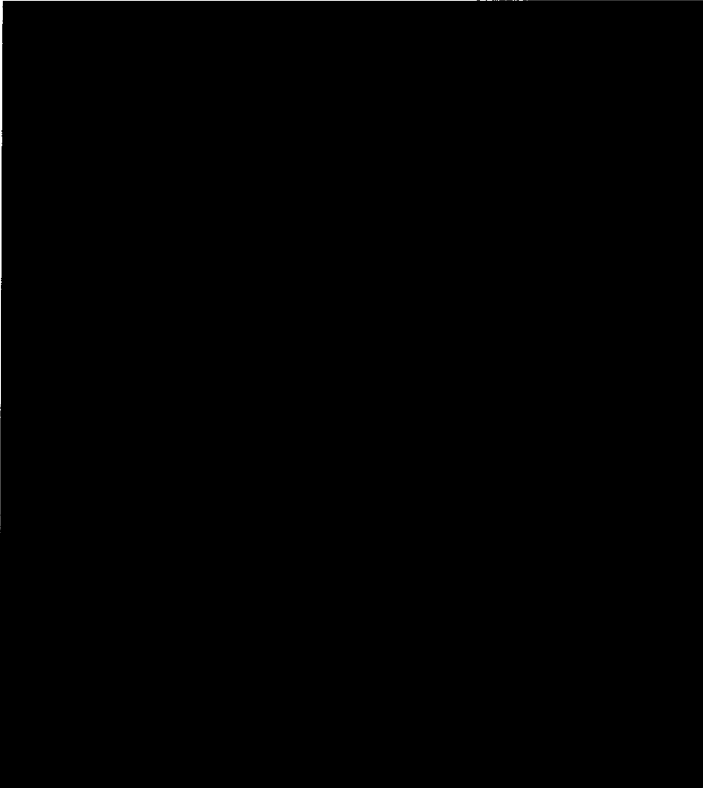


Invoice for	GULF for the	NYMEX	Settlement	for Sep 2006
Totals by				
Counter Party	Swap Total	Option Total	Counter Party Total	
ABNAMRO	\$ 16,180	\$ -	\$ 16,180.00	
BANKAMER	\$ (427,180.00)	\$ -	\$ (427,180.00)	
BARCLAYS	\$ (367,440.00)	\$ -	\$ (367,440.00)	
CIBC	\$ (602,540.00)	\$ -	\$ (602,540.00)	
DEUTSCHE	\$ (432,600.00)	\$ -	\$ (432,600.00)	
JPMORGAN	\$ (202,530.00)	\$ -	\$ (202,530.00)	
MTSUI	\$ (239,590.00)	\$ -	\$ (239,590.00)	
Suisse	\$ 15,390.00	\$ -	\$ 15,390.00	
GAS DAILY	\$ (576,090.00)	\$ -	\$ (576,090.00)	
Total for GULF	\$ (2,816,400.00)	\$ -	\$ (2,816,400.00)	

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OpCo	ContractID	Swap Deal Detail	DealType	DealNumber	TransactionDate	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePrice	SoCoPrice	SoCoNdx	SoCoSettlePrice	SettleAmount
GULF	50	ABNAMRO	Swap	2006.38029	9/19/2006 15:20	Sep-06	20000							
		ABNAMRO Total:												
GULF	50	BANKAMER	Swap	2005.34469	1/3/2005 17:40	Sep-06	50000							
GULF	50	BANKAMER	Swap	2005.35953	9/14/2005 15:24	Sep-06	40000							
GULF	50	BANKAMER	Swap	2005.35964	9/15/2005 20:17	Sep-06	30000							
GULF	50	BANKAMER	Swap	2005.35988	9/20/2005 15:14	Sep-06	30000							
GULF	50	BANKAMER	Swap	2006.37873	8/25/2006 22:05	Sep-06	20000							
GULF	50	BANKAMER	Swap	2006.3789	8/28/2006 18:40	Sep-06	40000							
GULF	50	BANKAMER	Swap	2006.37873	8/25/2006 22:05	Sep-06	20000							
GULF	50	BANKAMER	Swap	2006.3789	8/28/2006 18:40	Sep-06	40000							
GULF	50	BANKAMER	Swap	2006.37927	9/7/2006 14:20	Sep-06	20000							
GULF	50	BANKAMER	Swap	2006.38053	9/22/2006 16:28	Sep-06	60000							
		BANKAMER Total:												
GULF	50	BARCLAYS	Swap	2004.33789	8/16/2004 19:04	Sep-06	50000							
GULF	50	BARCLAYS	Swap	2005.36108	9/30/2005 15:12	Sep-06	40000							
GULF	50	BARCLAYS	Swap	2006.3712	4/28/2006 16:41	Sep-06	100000							
GULF	50	BARCLAYS	Swap	2006.37857	8/24/2006 15:32	Sep-06	90000							
GULF	50	BARCLAYS	Swap	2006.37857	8/24/2006 15:32	Sep-06	90000							
GULF	50	BARCLAYS	Swap	2006.37914	9/5/2006 15:25	Sep-06	20000							
GULF	50	BARCLAYS	Swap	2006.37979	9/13/2006 15:11	Sep-06	10000							
		BARCLAYS Total:												
GULF	50	CIBC	Swap	2004.33827	8/18/2004 16:02	Sep-06	100000							
GULF	50	CIBC	Swap	2005.36022	9/22/2005 18:31	Sep-06	30000							
GULF	50	CIBC	Swap	2005.36039	9/23/2005 18:17	Sep-06	40000							
GULF	50	CIBC	Swap	2005.36051	9/26/2005 15:45	Sep-06	30000							
GULF	50	CIBC	Swap	2006.37834	8/22/2006 20:33	Sep-06	40000							
GULF	50	CIBC	Swap	2005.3613	10/5/2005 17:49	Sep-06	30000							
GULF	50	CIBC	Swap	2006.37834	8/22/2006 20:33	Sep-06	40000							
GULF	50	CIBC	Swap	2006.37923	9/6/2006 18:03	Sep-06	20000							
GULF	50	CIBC	Swap	2006.38085	9/27/2006 15:52	Sep-06	50000							
		CIBC Total:												

GULF	50 DEUTSCHE	Swap	2005.36099	9/29/2005 15:20	Sep-06	30000
GULF	50 DEUTSCHE	Swap	2005.36117	10/3/2005 16:06	Sep-06	30000
GULF	50 DEUTSCHE	Swap	2006.37861	8/24/2006 15:47	Sep-06	90000
GULF	50 DEUTSCHE	Swap	2006.37881	8/28/2006 17:46	Sep-06	20000
GULF	50 DEUTSCHE	Swap	2006.37861	8/24/2006 15:47	Sep-06	90000
GULF	50 DEUTSCHE	Swap	2006.37881	8/28/2006 17:46	Sep-06	20000
GULF	50 DEUTSCHE	Swap	2006.3791	9/1/2006 15:04	Sep-06	90000
GULF	50 DEUTSCHE	Swap	2006.38011	9/15/2006 16:40	Sep-06	40000
GULF	50 DEUTSCHE	Swap	2006.38048	9/21/2006 15:01	Sep-06	20000
DEUTSCHE Total:						
GULF	50 JPMORGAN	Swap	2006.36884	3/2/2006 19:54	Sep-06	100000
GULF	50 JPMORGAN	Swap	2006.3783	8/22/2006 15:39	Sep-06	70000
GULF	50 JPMORGAN	Swap	2006.37847	8/23/2006 15:44	Sep-06	20000
GULF	50 JPMORGAN	Swap	2006.3783	8/22/2006 15:39	Sep-06	70000
GULF	50 JPMORGAN	Swap	2006.37847	8/23/2006 15:44	Sep-06	20000
GULF	50 JPMORGAN	Swap	2006.37932	9/8/2006 14:38	Sep-06	40000
GULF	50 JPMORGAN	Swap	2006.37991	9/14/2006 14:27	Sep-06	20000
GULF	50 JPMORGAN	Swap	2006.38034	9/20/2006 14:35	Sep-06	10000
GULF	50 JPMORGAN	Swap	2006.38068	9/25/2006 18:14	Sep-06	10000
JPMORGAN Total:						
GULF	50 MITSUI	Swap	2004.33811	8/17/2004 18:54	Sep-06	50000
GULF	50 MITSUI	Swap	2006.37843	8/23/2006 15:33	Sep-06	40000
GULF	50 MITSUI	Swap	2006.37886	8/28/2006 18:12	Sep-06	20000
GULF	50 MITSUI	Swap	2005.36137	10/6/2005 22:12	Sep-06	30000
GULF	50 MITSUI	Swap	2006.37843	8/23/2006 15:33	Sep-06	40000
GULF	50 MITSUI	Swap	2006.37886	8/28/2006 18:12	Sep-06	20000
GULF	50 MITSUI	Swap	2006.37903	8/31/2006 19:36	Sep-06	20000
GULF	50 MITSUI	Swap	2006.37946	9/11/2006 15:56	Sep-06	20000
GULF	50 MITSUI	Swap	2006.38024	9/18/2006 16:04	Sep-06	20000
GULF	50 MITSUI	Swap	2006.38077	9/26/2006 14:49	Sep-06	10000
MITSUMI Total:						
GULF	50 Suisse	Swap	2006.37959	9/12/2006 14:36	Sep-06	10000
Suisse Total:						



OpCo	ContractID	Option Deals CounterParty	DealType	BuySell	DealNumber	ContractMonth	HedgeMonth	Quantity	StrikePrice	SettlePrice	SettlementNc	StrikeFlag	SettleAmount	
GULF		50 MITSUI	Put-mm	Sell	2004.32622	Sep-06	6-Sep	300000						
GULF		50 MITSUI	Put-mm	Buy	2004.33444	Sep-06	6-Sep	300000						
MITSUMI Total:														
OpCo	ContractID	Swap Deal Detail CounterParty	DealType	DealNumber	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePr	SoCoPrice	SoCoNdx	SoCoAdd	SoCoSettlePi	SettleAmount
GULF		50 MITSUI	Swap	2006.37863	6-Sep		300000	0 Gas Dly						
MITSUMI Total:														

Invoice for	GULF for the	NYMEX	Settlement	for Oct 2006
Totals by				
Counter Party	Swap Total	Option Total	Counter Party Total	
BANKAMER	(528,580.00)	-	(528,580.00)	
BARCLAYS	(243,590.00)	-	(243,590.00)	
CIBC	(621,800.00)	-	(621,800.00)	
DEUTSCHE	(404,480.00)	-	(404,480.00)	
JPMORGAN	57,740.00	-	57,740.00	
mitsui	(182,280.00)	-	(182,280.00)	
Peak Period Load Ratio	(27,169.23)	-	(27,169.23)	
GAS DAILY	437,689.00	-	437,689.00	
Total for GULF	(1,512,470.23)	-	(1,512,470.23)	

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OpCo	ContractID	Swap Deal Detail CounterParty	DealType	DealNumber	TransactionDate	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePric	SoCoPrice	SoCoNdx	SoCoSettleP	SettleAmount
GULF	50	BANKAMER	Swap	2005.34469	1/3/2005 17:40	6-Oct	50000							
GULF	50	BANKAMER	Swap	2005.35953	9/14/2005 15:24	6-Oct	20000							
GULF	50	BANKAMER	Swap	2005.35964	9/15/2005 20:17	6-Oct	20000							
GULF	50	BANKAMER	Swap	2005.35988	9/20/2005 15:14	6-Oct	30000							
BANKAMER Total:														
GULF	50	BARCLAYS	Swap	2004.33789	8/16/2004 19:04	6-Oct	50000							
GULF	50	BARCLAYS	Swap	2005.36108	9/30/2005 15:12	6-Oct	20000							
GULF	50	BARCLAYS	Swap	2006.38101	10/4/2006 15:29	6-Oct	10000							
GULF	50	BARCLAYS	Swap	2006.38128	10/18/2006 20:14	6-Oct	10000							
BARCLAYS Total:														
GULF	50	CIBC	Swap	2005.36022	9/22/2005 18:31	6-Oct	20000							
GULF	50	CIBC	Swap	2005.36039	9/23/2005 18:17	6-Oct	30000							
GULF	50	CIBC	Swap	2005.36051	9/26/2005 15:45	6-Oct	20000							
GULF	50	CIBC	Swap	2005.3613	10/5/2005 17:49	6-Oct	30000							
GULF	50	CIBC	Swap	2006.38152	10/27/2006 14:19	6-Oct	20000							
CIBC Total:														
GULF	50	DEUTSCHE	Swap	2005.36099	9/29/2005 15:20	6-Oct	20000							
GULF	50	DEUTSCHE	Swap	2005.36117	10/3/2005 16:06	6-Oct	30000							
GULF	50	DEUTSCHE	Swap	2006.38121	10/13/2006 16:54	6-Oct	10000							
DEUTSCHE Total:														
GULF	50	JPMORGAN	Swap	2006.38073	9/25/2006 18:28	6-Oct	50000							
GULF	50	JPMORGAN	Swap	2006.38073	9/25/2006 18:28	6-Oct	50000							
GULF	50	JPMORGAN	Swap	2006.38098	10/3/2006 17:17	6-Oct	10000							
GULF	50	JPMORGAN	Swap	2006.38116	10/11/2006 15:44	6-Oct	10000							
JPMORGAN Total:														
GULF	50	mitsui	Swap	2004.33811	8/17/2004 18:54	6-Oct	50000							
GULF	50	mitsui	Swap	2005.36137	10/6/2005 22:12	6-Oct	20000							
GULF	50	mitsui	Swap	2006.3809	9/29/2006 14:26	6-Oct	10000							
GULF	50	mitsui	Swap	2006.38108	10/6/2006 15:33	6-Oct	10000							
GULF	50	mitsui	Swap	2006.3814	10/24/2006 14:31	6-Oct	10000							
mitsui Total:														

OpCo	ContractID	Option Deals CounterParty	DealType	BuySell	DealNumber	ContractMonth	HedgeMonth	Quantity	StrikePrice	SettlePrice	SettlementNdx	SettleAmount
GULF	50	mitsui	Put-rm	Sell	2004.32622	6-Oct	6-Oct	300000				
GULF	50	mitsui	Put-rm	Buy	2004.33444	6-Oct	6-Oct	300000				
mitsui Total:												

OpCo	ContractID	Swap Deal Detail CounterParty	DealType	DealNumber	TransactionDate	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePric	SoCoNdx	SoCoAdd	SoCoSettleP	SettleAmount
GULF	50	mitsui	Swap	2006.38061	9/22/2006 18:49	6-Oct	310000		0 Gas Dly					
mitsui Total:														

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Invoice for GULF for the NYMEX Settlement for Nov 2006

Totals by

Counter Party	Swap Total	Option Total	Counter Party Total
BANKAMER	\$ (52,140.00)	\$ -	\$ (52,140.00)
BARCLAYS	\$ (63,840.00)	\$ -	\$ (63,840.00)
CIBC	\$ (406,825.00)	\$ -	\$ (406,825.00)
DEUTSCHE	\$ (86,950.00)	\$ -	\$ (86,950.00)
JPMORGAN	\$ (74,610.00)	\$ -	\$ (74,610.00)
MITSUMI	\$ (119,145.00)	\$ -	\$ (119,145.00)
Suisse	\$ (71,440.00)	\$ -	\$ (71,440.00)
Peak Period Load R	\$ (14,893.39)	\$ -	\$ (14,893.39)
GAS DAILY	\$ 33,232.50	\$ -	\$ 33,232.50
Total for GULF	\$ (856,610.89)	\$ -	\$ (856,610.89)

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OpCo	ContractID	CounterParty	DealType	DealNumber	TransactionDate	ContractMor	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePric	SoCoPrice	SoCoNdx	SoCoSettleP	SettleAmount
GULF		50 BANKAMER	Swap	2006.37285	5/25/2006 16:44	6-Nov	6-Nov	20000							
		BANKAMER Total:													
GULF		50 BARCLAYS	Swap	2006.36675	1/9/2006 16:36	6-Nov	6-Nov	10000							
GULF		50 BARCLAYS	Swap	2006.36896	3/8/2006 17:29	6-Nov	6-Nov	10000							
		BARCLAYS Total:													
GULF		50 CIBC	Swap	2005.3659	12/27/2005 16:03	6-Nov	6-Nov	60000							
GULF		50 CIBC	Swap	2006.36643	1/4/2006 17:35	6-Nov	6-Nov	20000							
GULF		50 CIBC	Swap	2006.36663	1/5/2006 19:08	6-Nov	6-Nov	20000							
GULF		50 CIBC	Swap	2006.38146	10/25/2006 18:17	6-Nov	6-Nov	25000							
GULF		50 CIBC	Swap	2006.38146	10/25/2006 18:17	6-Dec	6-Nov	25000							
		CIBC Total:													
GULF		50 DEUTSCHE	Swap	2006.36692	1/12/2006 20:40	6-Nov	6-Nov	10000							
GULF		50 DEUTSCHE	Swap	2006.37536	7/6/2006 16:29	6-Nov	6-Nov	10000							
GULF		50 DEUTSCHE	Swap	2006.37584	7/17/2006 17:42	6-Nov	6-Nov	10000							
GULF		50 DEUTSCHE	Swap	2006.38177	11/21/2006 15:58	6-Dec	6-Nov	5000							
		DEUTSCHE Total:													
GULF		50 JPMORGAN	Swap	2006.36826	2/15/2006 19:15	6-Nov	6-Nov	10000							
GULF		50 JPMORGAN	Swap	2006.37596	7/18/2006 20:04	6-Nov	6-Nov	10000							
GULF		50 JPMORGAN	Swap	2006.37758	8/11/2006 17:45	6-Nov	6-Nov	10000							
		JPMORGAN Total:													
GULF		50 MITSUI	Swap	2005.36614	12/27/2005 20:58	6-Nov	6-Nov	20000							
GULF		50 MITSUI	Swap	2006.37253	5/24/2006 14:44	6-Nov	6-Nov	10000							
GULF		50 MITSUI	Swap	2006.38173	11/16/2006 15:28	6-Dec	6-Nov	5000							
GULF		50 MITSUI	Swap	2006.38194	11/28/2006 17:07	6-Dec	6-Nov	15000							
		MITSUMI Total:													
GULF		50 Suisse	Swap	2006.37701	8/1/2006 16:41	6-Nov	6-Nov	10000							
GULF		50 Suisse	Swap	2006.37726	8/4/2006 18:47	6-Nov	6-Nov	10000							
		Suisse Total:													
OpCo	ContractID	CounterParty	DealType	DealNumber	TransactionDate	ContractMor	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePric	SoCoNdx	SoCoAdd	SoCoSettleP	SettleAmount
GULF		50 Suisse	Swap	2006.38136	10/23/2006 16:21	6-Nov	6-Nov	225000		0 Gas Dly					
		Suisse Total:													

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Invoice for	GULF for the	NYMEX	Settlement	for Dec 2006	

Totals by			
Counter Party	Swap Total	Option Total	Counter Party Total
BANKAMER	(20,570.00)	-	(20,570.00)
BARCLAYS	(31,180.00)	-	(31,180.00)
CIBC	(302,200.00)	-	(302,200.00)
DEUTSCHE	(49,930.00)	-	(49,930.00)
JPMORGAN	(89,185.00)	-	(89,185.00)
MITSUMI	(79,460.00)	-	(79,460.00)
Suisse	(48,140.00)	-	(48,140.00)
Peak Period Load Ratio	(51,432.00)	-	(51,432.00)
GAS DAILY	(350,796.00)	-	(350,796.00)
Total for GULF	(1,022,893.00)	-	(1,022,893.00)

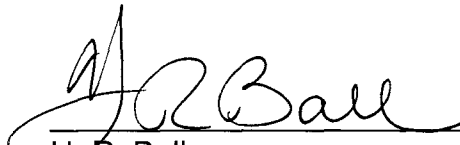
Swap Deal Detail															
OpCo	ContractID	CounterParty	DealType	DealNumber	TransactionDate	ContractMon	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePr	SoCoPrice	SoCoNdx	SoCoSettlePr	SettleAmount
GULF		50 BANKAMER	Swap	2006.37285	5/25/2006 16:44	6-Dec	6-Dec	20000							
GULF		50 BANKAMER	Swap	2006.38274	12/22/2006 15:08	7-Jan	6-Dec	10000							
		BANKAMER Total:													
GULF		50 BARCLAYS	Swap	2006.36675	1/9/2006 16:36	6-Dec	6-Dec	10000							
GULF		50 BARCLAYS	Swap	2006.36896	3/8/2006 17:29	6-Dec	6-Dec	10000							
GULF		50 BARCLAYS	Swap	2006.38219	12/8/2006 15:47	7-Jan	6-Dec	5000							
		BARCLAYS Total:													
GULF		50 CIBC	Swap	2005.3659	12/27/2005 16:03	6-Dec	6-Dec	60000							
GULF		50 CIBC	Swap	2006.36643	1/4/2006 17:35	6-Dec	6-Dec	20000							
GULF		50 CIBC	Swap	2006.36663	1/5/2006 19:08	6-Dec	6-Dec	20000							
		CIBC Total:													
GULF		50 DEUTSCHE	Swap	2006.36692	1/12/2006 20:40	6-Dec	6-Dec	10000							
GULF		50 DEUTSCHE	Swap	2006.37536	7/6/2006 16:29	6-Dec	6-Dec	10000							
GULF		50 DEUTSCHE	Swap	2006.37584	7/17/2006 17:42	6-Dec	6-Dec	10000							
GULF		50 DEUTSCHE	Swap	2006.38283	12/27/2006 15:54	7-Jan	6-Dec	2500							
		DEUTSCHE Total:													
GULF		50 JPMORGAN	Swap	2006.36826	2/15/2006 19:15	6-Dec	6-Dec	10000							
GULF		50 JPMORGAN	Swap	2006.37596	7/18/2006 20:04	6-Dec	6-Dec	10000							
GULF		50 JPMORGAN	Swap	2006.37758	8/11/2006 17:45	6-Dec	6-Dec	10000							
GULF		50 JPMORGAN	Swap	2006.38191	11/28/2006 17:03	6-Dec	6-Dec	17500							
GULF		50 JPMORGAN	Swap	2006.38191	11/28/2006 17:03	7-Jan	6-Dec	17500							
		JPMORGAN Total:													
GULF		50 MITSUI	Swap	2005.36614	12/27/2005 20:58	6-Dec	6-Dec	20000							
GULF		50 MITSUI	Swap	2006.37253	5/24/2006 14:44	6-Dec	6-Dec	10000							
		MITSUMI Total:													
GULF		50 Suisse	Swap	2006.37701	8/1/2006 16:41	6-Dec	6-Dec	10000							
GULF		50 Suisse	Swap	2006.37726	8/4/2006 18:47	6-Dec	6-Dec	10000							
		Suisse Total:													
OpCo	ContractID	CounterParty	DealType	DealNumber	TransactionDate	ContractMon	HedgeMonth	Quantity	CPPrice	CPNdx	CPSettlePr	SoCoNdx	SoCoAdd	SoCoSettlePr	SettleAmount
GULF		50 MITSUI	Swap	2006.38185	11/27/2006 19:11	6-Dec	6-Dec	232500		0 Gas Dly					
		MITSUMI Total:													

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 070001-EI

Before me the undersigned authority, personally appeared H. R. Ball, who being first duly sworn, deposes, and says that he is the Fuel Manager at Gulf Power Company, a Florida corporation, and that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.



H. R. Ball
Fuel Manager

Sworn to and subscribed before me this 28th day of February, 2007



Notary Public, State of Florida at Large

Commission Number:

Commission Expires:

