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Public Service Commission

July 7, 2008

Russell A. Badders, Esquire
Gulf Power Company
Beggs & Lane Law Firm
P.O. Box 12950
Pensacola, FL 32591-2950

STAFF'S 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) provide responses to the following data requests by July 10, 2008.

Please refer to Gulf Power Company's (original) 2008 E-1 and E-2 Schedules, January through May 2008 A-2 Schedules, 2008 mid-course E1-B Schedule, and staff's Table 1 and Table 2. Table 1 shows the A-2 Schedule Actual and Estimated Revenues (Page 2 of Schedule A-2) and mWh's (Page 1 of Schedule A-2) for January through May 2008, and the mid-course E1-B Schedule Estimated Revenues and mWh's for May through December 2008. Table 2 shows the 2008 monthly Estimated Jurisdictional kWh Sales Dollar and mWh calculations.

Questions

1. Did Gulf calculate its Estimated Revenue Dollars on the A-2 Schedule for January through May and its Estimated Revenue Dollars on the E1-B Schedule by dividing 3.954 cents per kWh by 1.00072, and then multiplying the quotient by estimated mWh's (times 10)? That is, does Gulf calculate Estimated Revenue Dollars as follows:

$$\text{Estimated Revenue Dollars} = \text{Estimated mWh} * (3.954/1.00072) * 10?$$

2. Does Gulf agree that when it revised its Estimated Revenue Dollars and mWh's for the mid-course E1-B Schedule, Estimated Revenues per mWh did not change for June through December 2008 (i.e., did not change from January through May)? (Table 1)
3. Does Gulf agree that the monthly Jurisdictional kWh Sales Dollars for 2008 would be calculated by multiplying the monthly Jurisdictional Percentages by the monthly Territorial kWh Sales Dollars, as in Table 2?

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4. Does Gulf agree that the annual Estimated Jurisdictional Dollar total for 2008, calculated using monthly (variable) Jurisdictional Percentages, would be \$418,589,128 as summed in Table 2?
5. Does Gulf agree that the annual total in Question 4, adjusted for Line Losses, is \$418,882,140?

$$\$418,589,128 * 1.0007 = \$418,882,140$$

6. Does Gulf agree that the difference between the product in Question 5 and the comparable amount from the original 2008 E-1 Schedule is only -\$7,871?

$$\$418,882,140 - \$418,890,011 = -\$7,871$$

[(Sum of Monthly Dollars * Line-Loss Factor) – E-1 Schedule Annual Calculation]

7. Does Gulf agree that if it had (a) summed the monthly calculations in Table 2, (b) adjusted the sum for Line Losses, and (c) used the product as its Jurisdictional kWh Sales Adjusted for Line Losses in Schedule E-1, the Fuel Factor Rounded to Nearest .001 c/kWh would have been calculated as follows?

$$\begin{aligned} & \{[(\text{Alternative Jurisdictional KWH Sales Adjusted for Line Losses Plus True-up}) * \text{Revenue Tax Factor}] \text{ Plus GPIF Reward} \} / (\text{Jurisdictional mWh} * 10) \\ & = \{[(\$418,882,140 + 43,326,799) * 1.00072] - 205,097\} / (11,692,537 * 10) \\ & = 3.954 \end{aligned}$$

8. Does Gulf agree that using (a) the alternative Jurisdictional KWH Sales Dollar amount in Question 5, rather than (b) the annual-calculation dollar amount in its 2008 E-1 Schedule, would not have changed the 2008 Fuel Factor Rounded to Nearest .001 c/kWh?
9. For this data request, please provide:

(a.) Fuel Cost Recovery Schedule E-10s for the period September through December 2008 and January through December 2009 for each of the following four scenarios based on the best information currently available to Gulf regarding projected utility costs, customer counts, sales, etc.:

1. If Gulf's petition for mid-course correction is approved as filed;
2. If Gulf's petition for mid-course correction is denied;
3. If the Commission requires the mid-course under-recovery to be collected entirely in the remaining (last) four months of 2008; and
4. If the Commission requires the mid-course under-recovery to be collected evenly over the last four months of 2008 and the twelve months of 2009.

(b.) Regarding (a.) above, please identify and explain all cost drivers (e.g., planned environmental costs, base rate proceedings, litigation, settlements) that cause a change of more than \$0.20 for 1000 kWh residential bill for 2009 and for the last four months of 2008.

10. For this data request, please provide:

(a.) The dates of the price projections used for Gulf's original E schedules filed with its projection testimony in September 2007 and for Gulf's mid-course petition. Please state the date of the projections by fuel type: coal, natural gas, purchased power, and power sold.

(b.) For each date and fuel type above, provide the monthly commodity prices for fuel and the price (\$/mWh) for purchased power and power sold that support the E schedules. In addition, please continue the monthly price projections, fuel type and commodity price, through 2009.

11. For this data request:

(a.) Please provide a detailed description of the force majeure event mentioned in paragraph 6 of page 3 of the Petition. Please include descriptions of geological problems and safety concerns.

(b.) Please explain all efforts made by Gulf to verify and confirm that the force majeure event prevented the supplier from meeting the contractual obligation to supply coal.

(c.) To the best of Gulf's knowledge, what is the likelihood that the supplier will make up for the shortfall in deliveries in 2008 by shipping coal in 2009? Please explain.

(d.) If the supplier were to make up for the shortfall in 2008 by shipping coal in 2009, what would be the affect on the 2009 fuel factor or the 2009 under/over-recovery status?

12. For this data request:

(a.) How has Gulf's delivered price of coal been affected by increases in the price of diesel fuel?

(b.) What amount of the projected 2008 under-recovery is due to increases in the price of diesel fuel for coal transportation?

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13. Regarding the force majeure event, what was the delivered price (dollars per ton and dollars per MMBtu) of the coal and what was the delivered price (dollars per ton and dollars per MMBtu) of the replacement coal? Please include in the response the number of tons not delivered due to the force majeure event and the number of tons of replacement coal that Gulf purchased. Also state the origin of the replacement coal.
14. Disregarding the force majeure event, what is the number of tons of spot coal that Gulf originally planned to burn in 2008? Disregarding the force majeure event, given current actual and estimated information, what is the number of tons of spot coal that Gulf will burn in 2008? As part of the response to these questions, please include the delivered prices in dollars per ton and dollars per MMBtu.
15. Please provide a chronology of the relevant events leading up to Gulf's decision to file for a mid-course correction to its fuel factors.

Please file the original and five copies of the requested information by Friday, July 11, 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) 413-6230 if you have any questions.

Sincerely,



Lisa C. Bennett
Senior Attorney

LCB/tfw

cc: Office of Commission
Division of Economic Regulation (McNulty, Lester)
Docket 080001-EI - Parties

07/03/2008

Table 1
Jurisdictional Fuel Revenue and mWh's
Gulf Power Company

		Jurisdictional Fuel Revenue and Jurisdictional KWH Sales					
Year	Month	Actual			Estimate		
		Dollars (LC1)	MWH (LB1)	C/KWH (Ratio)	Dollars (LC1)	MWH (LB1)	C/KWH (Ratio)
2008	1	37,654,578	953,439	3.949343167	37,162,432	940,546	3.951155180
2008	2	31,832,100	806,930	3.944840321	32,260,945	816,494	3.951155180
2008	3	31,164,323	790,556	3.942076589	32,505,561	822,685	3.951155180
2008	4	32,519,710	824,299	3.945135200	33,055,878	836,613	3.951155194
2008	5	40,331,773	1,021,589	3.947945113	40,930,135	1,035,903	3.951155170
2008	6	44,156,372	1,117,556	3.951155199			
2008	7	47,839,915	1,210,783	3.951155162			
2008	8	48,858,523	1,236,563	3.951155178			
2008	9	41,015,164	1,038,055	3.951155189			
2008	10	36,466,199	922,925	3.951155186			
2008	11	30,866,266	781,196	3.951155152			
2008	12	35,879,847	908,085	3.951155123			
		458,584,770	11,611,976	3.949239733			

07/07/2008

Table 2
Estimated 2008 Jurisdictional kWh Sales Dollars and mWh's
Gulf Power Company

Month	Dollars			mWh's		
	Territorial Dollars	Jurisdictional Percentage	Jurisdictional Dollars	Territorial mWh's	Jurisdictional Percentage	Jurisdictional mWh's
1	29,729,722	96.3598	28,647,501	976,077	96.3598	940,346
2	24,842,056	96.3395	23,932,713	847,517	96.3395	816,394
3	29,789,782	96.3239	28,694,680	854,082	96.3239	822,785
4	27,964,927	96.4818	26,981,065	867,120	96.4818	836,313
5	37,523,300	96.7065	36,287,470	1,071,182	96.7065	1,035,303
6	41,917,987	96.7807	40,568,521	1,188,497	96.7807	1,150,236
7	44,402,913	96.6836	42,930,335	1,251,914	96.6836	1,210,396
8	48,418,205	96.7110	46,825,730	1,279,201	96.7110	1,237,128
9	38,911,255	96.5550	37,570,762	1,074,535	96.5550	1,037,517
10	35,749,580	96.4013	34,463,060	923,424	96.4013	890,193
11	34,112,144	96.2184	32,822,159	836,335	96.2184	804,708
12	40,357,722	96.3016	38,865,132	945,072	96.3016	910,119
	433,719,593	96.5115	418,589,128	12,114,956	96.5132	11,692,537