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March 6, 2009

Ms. Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee FL 32399-0850

Dear Ms. Cole:

Enclosed for official filing in Docket No. 090001-EI are an original and ten copies of the following:

1. Prepared Direct Testimony of H. R. Ball.
2. Prepared Direct Testimony and of Richard W. Dodd.

Sincerely,

*Susan D. Ritenour*

mv

Enclosures

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

COM	<u>5</u>
ECR	<u>1</u>
GCL	<u>1</u>
OPC	<u>1</u>
RCP	<u>1</u>
SSC	<u>1</u>
SGA	<u>1</u>
ADM	<u>1</u>
CLK	<u>Ct. reporter</u>



FPSC-09-00000

DOCUMENT NUMBER-DATE

01889 MAR-9 8

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.: 090001-EI

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing was furnished by U. S. mail this 6th day of March, 2009, on the following:

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# **GULF POWER COMPANY**

**Before the Florida Public Service  
Commission**

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

**Docket No. 090001-EI**

**Date of Filing: March 9, 2009**



**A SOUTHERN COMPANY**

DOCUMENT NUMBER-DATE

01889 MAR-9 8

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. 090001-EI

Date of Filing: March 9, 2009

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

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

9  
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. I transferred to my current position as Fuel Manager for  
25 Gulf Power Company in 2003.

DOCUMENT NUMBER - DATE

01889 MAR -09

FPSC-COMMISSION CLERK

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 participation in the Intercompany  
8 Interchange Contract (IIC) between Gulf and the other operating  
9 companies in the Southern electric system (SES).

10

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

12 A. The purpose of my testimony is to summarize Gulf Power Company's fuel  
13 expenses, net power transaction expense, and purchased power capacity  
14 costs, and to certify that these expenses were properly incurred during the  
15 period January 1, 2008 through December 31, 2008. Also, it is my intent  
16 to be available to answer questions that may arise among the parties to  
17 this docket concerning Gulf Power Company's fuel expenses.

18

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

21 A. Yes, I have.

22 Counsel: We ask that Mr. Ball's exhibit consisting of five schedules be  
23 marked as Exhibit No. \_\_\_\_\_(HRB-1).

24

25

1 Q. During the period January 2008 through December 2008, how did Gulf  
2 Power Company's recoverable total fuel and net power transaction  
3 expenses compare with the projected expenses?

4 A. Gulf's recoverable total fuel cost and net power transaction expense was  
5 \$559,188,790, which is \$107,185,526 or 23.71% above the projected  
6 amount of \$452,003,264. The higher total fuel and net power transaction  
7 expense is attributed to less fuel revenue than projected from power sales  
8 due to both a lower quantity and price for power sales than projected for  
9 the period. The actual total cost of generated power was below  
10 projections by \$39,526,094, or 5.99%. The total net cost of purchased  
11 power and power sales was above projections due to a \$37,320,695, or  
12 124.19% increase in purchased power costs and a \$98,474,595, or  
13 42.97% decrease in power sales revenues. Actual net energy was  
14 12,606,079,782 KWH compared to the projected net energy of  
15 12,898,894,000 KWH or 2.27% below projections. The resulting actual  
16 average cost of 4.4359 cents per KWH was 26.59% above the projected  
17 cost of 3.5042 cents per KWH. This information is from Schedule A-1,  
18 period-to-date, for the month of December 2008 included in Appendix 1 of  
19 Witness Dodd's exhibit.

20  
21 Q. During the period January 2008 through December 2008, how did Gulf  
22 Power Company's recoverable fuel cost of net generation compare with  
23 the projected expenses?

24 A. Gulf's recoverable fuel cost of net generation was \$620,647,170 or 5.99%  
25 below the projected amount of \$660,209,264. Actual generation was

1 14,761,691,000 KWH compared to the projected generation of  
2 17,574,010,000 KWH, or 16.00% below projections. The resulting actual  
3 average fuel cost of 4.20 cents per KWH was 11.70% above the projected  
4 fuel cost of 3.76 cents per KWH. The lower total fuel expense is  
5 attributed to a lower quantity of fuel burned than projected for the period.  
6 The actual quantity of fuel consumed was 147,326,957 MMBTU which  
7 was 13.97% below the projected quantity of 171,254,303 MMBTU. The  
8 percentage of energy generated from higher-cost natural gas fired  
9 resources was 16.44%, which was 6.13% higher than the projected  
10 amount of 15.49%. The weighted average fuel cost for gas was \$10.78  
11 per MMBTU, which is 6.02% below the projected cost of \$11.47 per  
12 MMBTU. The weighted average fuel cost for coal, plus lighter fuel, was  
13 \$3.32 per MMBTU, which is 15.68% higher than projected cost of \$2.87  
14 per MMBTU. The fuel cost of generation (cents/KWH) is higher than  
15 projected for the period due to the higher percentage of generation from  
16 natural gas fired resources combined with the higher weighted average  
17 cost for coal. This information is found on Schedule A-3, period-to-date,  
18 for the month of December 2008 included in Appendix 1 of Witness  
19 Dodd's exhibit.

20  
21 Q. How did the total projected cost of coal purchased compare with the  
22 actual cost?

23 A. The total actual cost of coal purchased (excluding Plant Scherer) was  
24 \$429,284,280 (line 17 of Schedule A-5, period-to-date, for December  
25 2008) compared to the projected cost of \$399,438,634 or 7.47% above

1 the projected amount. The higher coal cost was due to a higher weighted  
2 average coal price for the period. The actual weighted average price of  
3 coal purchased was \$80.06 per ton which is 17.74% above the projected  
4 amount of \$68.00 per ton. The higher weighted average price of coal for  
5 the period was due to higher than expected prices for spot coal purchases  
6 during the period. The total cost of coal purchased at Plant Scherer was  
7 \$28,642,289 (line 30 of Schedule A-5, period-to-date, for December  
8 2008). This is 5.13% lower than the projection of \$30,190,299. The lower  
9 coal cost was due to lower quantity of coal purchased and a lower  
10 weighted average coal price for the period. The actual weighted average  
11 price of coal purchased was \$2.12 per MMBTU which is 2.30% below the  
12 projected amount of \$2.17 per MMBTU. The lower weighted average coal  
13 purchase price at Plant Scherer was due to lower prices for spot Powder  
14 River Basin (PRB) coal purchased during the period.

15  
16 Q How did the total projected cost of coal burned compared to the actual  
17 cost?

18 A. The total cost of coal burned (excluding Plant Scherer) was \$401,161,376  
19 (line 21 of Schedule A-5, period-to-date, for December 2008). This is  
20 1.38% lower than the projection of \$406,795,252. The lower total coal  
21 cost was due to a smaller quantity of coal burned (13.90% below  
22 projections). This was offset by a higher weighted average coal burn cost  
23 (14.53% above projections) for the period. The total cost of coal burned  
24 at Plant Scherer was \$27,112,639 (line 34 of Schedule A-5, period-to-  
25 date, for December 2008). This is 5.66% lower than our projection of



1           \$28,738,552. The lower coal burn cost at Scherer was due to a smaller  
2           quantity of coal burned (4.43% below projections) and a lower price per  
3           MMBTU of coal burn (1.42% below projections).

4  
5       Q.     How did the total projected cost of natural gas burned compare to the  
6           actual cost?

7       A.     The total actual cost of natural gas burned for generation was  
8           \$188,423,601 (line 47 of Schedule A-5, period-to-date, for December  
9           2008). This is 14.24% below the projection of \$219,706,300. The  
10          decrease can be attributed to lower than forecasted market prices for  
11          natural gas on a weighted average basis. The actual weighted average  
12          gas burn cost was \$10.77 per MMBTU, which is 6.02% lower than the  
13          projected burn cost of \$11.46 per MMBTU.

14  
15      Q.     Did fuel procurement activity during the period in question follow Gulf  
16           Power's Risk Management Plan for Fuel Procurement?

17      A.     Yes. Gulf Power's fuel strategy in 2008 complied with the Risk  
18           Management Plan filed on April 5, 2007.

19  
20      Q.     Did implementation of the Risk Management Plan for Fuel Procurement  
21           result in a reliable supply of coal being delivered to Gulf's coal-fired  
22           generating units during the period?

23      A.     Yes. The supply of coal and associated transportation to Gulf's generating  
24           plants was secured through a combination of long-term contracts and spot  
25           agreements as specified in the plan. These supply and transportation

1 agreements included a number of purchase commitments initiated prior to  
2 the beginning of the period. These early purchase commitments and the  
3 planned diversity of fuel suppliers are designed to provide a more reliable  
4 source of coal to the generating plants. The result was that Gulf's coal-  
5 fired generating units had an adequate supply of fuel available at all times  
6 at a reasonable cost to meet the electric generation demands of its  
7 customers.

8  
9 Q. For coal purchases during the period, what percentage was purchased on  
10 the spot market and what percentage was purchased using longer-term  
11 contracts?

12 A. Excluding Plant Scherer Unit 3, total coal purchases for the period  
13 amounted to 5,361,896 tons. Gulf purchased 1,604,327 tons or 30% of  
14 this coal on the spot market. Spot purchases are classified as coal  
15 purchase agreements with terms of one year or less. Spot coal purchases  
16 are necessary to allow a portion of the purchase quantity commitments to  
17 be adjusted in response to changes in coal burn that may occur during the  
18 year. Gulf purchased 3,757,569 tons or 70% of this coal under longer-  
19 term contracts. Longer-term contracts provide a reliable base quantity of  
20 coal to Gulf's generating units with firm pricing terms. This limits price  
21 volatility and increases coal supply consistency over the term of the  
22 agreements. Schedule 1 of my exhibit consists of a list of contract and  
23 spot coal purchases for the period.

1 Q. Did implementation of the Risk Management Plan for Fuel Procurement  
2 result in stable coal prices for the period?

3 A. Yes. Coal cost volatility was mitigated through compliance with the Risk  
4 Management Plan. Gulf uses physical hedges to reduce price volatility in  
5 the coal procurement program. Gulf purchases coal and associated  
6 transportation at market price through the process of either issuing formal  
7 requests for proposals to market participants or occasionally for small  
8 quantity spot purchases through informal proposals. Once these  
9 confidential bids are received, they are evaluated against other similar  
10 proposals using standard contract terms and conditions. The least cost  
11 acceptable alternatives are selected and firm purchase agreements are  
12 negotiated with the successful bidders. Gulf purchased coal and coal  
13 transportation using a combination of firm price contracts and purchase  
14 orders that either fix the price for the period or escalate the price using a  
15 combination of government published economic indices. Schedule 2 of  
16 my exhibit provides a list of the contract and spot coal purchases for the  
17 period and the weighted average price of shipments under each purchase  
18 agreement in \$/MMBTU. Because of the fixed price nature of longer term  
19 contract coal purchase agreements and the substantial amount of coal  
20 under firm commitments prior to the beginning of the period, there was  
21 only a small variance between the estimated purchase price of contract  
22 coal and the actual price for the period. There was a substantial increase  
23 in the price of spot coal during the period which resulted in spot coal  
24 prices being above budget.

25

1 Q. Did implementation of the Risk Management Plan for Fuel Procurement  
2 result in a reliable supply of natural gas being delivered to Gulf's gas-fired  
3 generating units at a reasonable price during the period?

4 A. Yes. The supply of natural gas and associated transportation to Gulf's  
5 generating plants was secured through a combination of long-term  
6 purchase contracts and daily gas purchases as specified in the plan.  
7 These supply and transportation agreements included a number of  
8 purchase commitments initiated prior to the beginning of the period.  
9 These natural gas purchase agreements price the supply of gas at market  
10 price as defined by published market indices. Schedule 3 of my exhibit  
11 compares the actual monthly weighted average purchase price of natural  
12 gas delivered to Gulf's generating units to a market price based on the  
13 daily Florida Gas Transmission Zone 3 published market price plus an  
14 estimated gas storage and transportation rate based on the actual cost of  
15 gas storage and transportation Gulf paid during the period. The purpose  
16 of early natural gas procurement commitments, the planned diversity of  
17 natural gas suppliers, and providing gas suppliers with market pricing is to  
18 provide a more reliable source of gas to Gulf's generating units. The  
19 result was that Gulf's gas-fired generating units had an adequate supply  
20 of fuel available at all times at a reasonable price to meet the electric  
21 generation demands of its customers.

22  
23 Q. Did implementation of the Risk Management Plan for Fuel Procurement  
24 result in lower volatility of natural gas prices for the period?

25

1 A. Gulf purchases physical natural gas requirements at market prices and  
2 swaps these market prices for firm prices using financial hedges. The  
3 objective of the financial hedging program is to reduce upside price risk to  
4 Gulf's customers in a volatile price market for natural gas. In 2008, Gulf's  
5 weighted average cost of natural gas purchases for generation was  
6 \$10.76 per MMBTU. This was 6.11% lower than the projection of \$11.46  
7 per MMBTU (line 42 of Schedule A-5, period-to-date, for December 2008).  
8 Gulf was able to hold per unit fuel costs to very reasonable levels for its  
9 customers during a period of volatile market fuel prices by following its  
10 Fuel Risk Management Plan. The volatility of Gulf's natural gas cost has  
11 been reduced by utilizing financial hedging as described in the Fuel Risk  
12 Management Plan. As shown on Schedule 4 of my exhibit, the volatility of  
13 Gulf's delivered cost of natural gas over the past four-year period as  
14 measured by standard deviation was 2.165. The volatility of Gulf's  
15 hedged delivered cost of natural gas over the same four-year period as  
16 measured by standard deviation was 1.487. Therefore, the financial  
17 hedging program is achieving the goal of reducing the volatility of natural  
18 gas cost to the customer.

19  
20 Q. For the period in question, what volume of natural gas was actually  
21 hedged using a fixed price contract or instrument?

22 A. Gulf Power hedged 7,535,533 MMBTU of natural gas in 2008 using fixed-  
23 price financial hedges.

24  
25

1 Q. What types of hedging instruments were used by Gulf Power Company,  
2 and what type and volume of fuel was hedged by each type of  
3 instrument?

4 A. Natural gas was hedged primarily using financial swaps that fixed the  
5 price of gas to a certain price. The total volume of gas hedged using  
6 financial swaps was 7,520,000 MMBTU. These swaps settled against  
7 either a NYMEX Last Day price or Gas Daily price. Gulf participated in  
8 one option deal during the period for a total volume of 15,533 MMBTU.  
9 Schedule 5 of my exhibit shows all natural gas hedge transactions  
10 incurred since the mid-year hedging report was filed with the Commission  
11 on August 14, 2008. The type of hedging instrument used for each  
12 transaction is shown on this exhibit.

13  
14 Q. What was the actual total cost (e.g., fees, commissions, option premiums,  
15 futures gains and losses, swap settlements) associated with each type of  
16 hedging instrument for the period January 2008 through December 2008?

17 A. No fees, commissions, or premiums were paid by Gulf on the financial  
18 swap hedge transactions during this period. An option premium of  
19 \$4,035.91 was paid for the one option transaction which resulted in a total  
20 gain of \$9,283.96 or a net gain of \$5,248.05. Schedule 5 of my exhibit  
21 also shows the associated costs that were incurred for each hedge  
22 transaction since the mid-year hedging report was filed with the  
23 Commission on August 14, 2008. Gulf's 2008 hedging program resulted  
24 in a net financial loss of \$1,737,726 as shown on line 2 of Schedule A-1,  
25 period-to-date, for the month of December 2008 included in Appendix 1 of

1           Witness Dodd's exhibit.

2

3   **Q.**    Were there any other significant developments in Gulf's fuel procurement  
4           program during the period?

5   **A.**    No.

6

7   **Q.**    During the period January 2008 through December 2008 how did Gulf  
8           Power Company's recoverable fuel cost of power sold compare with the  
9           projection?

10 **A.**    Gulf's recoverable fuel cost of power sold for the period is (\$130,690,405)  
11           or 42.97% below the projected amount of (\$229,165,000). Total kilowatt  
12           hours of power sales were (3,932,205,166) KWH compared to estimated  
13           sales of (5,115,402,000) KWH, or 23.13% below projections. The  
14           resulting average fuel cost of power sold was 3.3236 cents per KWH or  
15           25.81% below the projected amount of 4.4799 cents per KWH. This  
16           information is from Schedule A-1, period-to-date, for the month of  
17           December 2008 included in Appendix 1 of Witness Dodd's exhibit.

18

19 **Q.**    What are the reasons for the difference between Gulf's actual fuel cost of  
20           power sold and the projection?

21 **A.**    The lower total credit to fuel expense from power sales is attributed to a  
22           lower amount of KWH sold and lower replacement fuel costs than originally  
23           projected. Below budget prices for natural gas and a higher percentage of  
24           sales from lower-cost coal-fired generation during off peak periods reduced  
25           the fuel reimbursement rate (cents per KWH) paid to Gulf for power sales.

1 Q. During the period January 2008 through December 2008, how did Gulf  
2 Power Company's recoverable fuel cost of purchased power compare with  
3 the projection?

4 A. Gulf's recoverable fuel cost of purchased power for the period was  
5 \$67,372,695 or 124.19% above the estimated amount of \$30,052,000.  
6 Total kilowatt hours of purchased power were 1,776,593,948 KWH  
7 compared to the estimate of 440,286,000 KWH or 303.51% above  
8 projections. The resulting average fuel cost of purchased power was  
9 3.7922 cents per KWH or 44.44% below the estimated amount of 6.8256  
10 cents per KWH. This information is from Schedule A-1, period-to-date, for  
11 the month of December 2008 included in Appendix 1 of Witness Dodd's  
12 exhibit.

13  
14 Q. What are the reasons for the difference between Gulf's actual fuel cost of  
15 purchased power and the projection?

16 A. The higher total fuel cost of purchased power is attributed to Gulf  
17 purchasing a greater amount of KWH at attractive prices to supplement its  
18 own generation to meet load demands. The average fuel cost of energy  
19 purchases per KWH was lower than projected as a result of lower-cost  
20 energy being made available to Gulf for purchase during the period. In  
21 general the actual price of marginal fuel, primarily natural gas, used to  
22 generate market energy was lower than projected for the period.

23  
24 Q. Should Gulf's recoverable fuel and purchased power cost for the period  
25 be accepted as reasonable and prudent?



1 A. Yes. Gulf's coal supply program is based on a mixture of long-term  
2 contracts and spot purchases at market prices. Coal suppliers are  
3 selected using procedures that assure reliable coal supply, consistent  
4 quality, and competitive delivered pricing. The terms and conditions of  
5 coal supply agreements have been administered appropriately. Natural  
6 gas is purchased using agreements that tie price to published market  
7 index schedules and is transported using a combination of firm and  
8 interruptible gas transportation agreements. Natural gas storage is  
9 utilized to assure that supply is available during times when gas supply is  
10 otherwise curtailed or unavailable. Gulf's lighter oil purchases were made  
11 from qualified vendors using an open bid process to assure competitive  
12 pricing and reliable supply. Gulf adhered to its Risk Management Plan for  
13 Fuel Procurement and accomplished the objectives established by the  
14 plan. Through its participation in the integrated Southern Electric System,  
15 Gulf is able to purchase affordable energy from pool participants and  
16 other sellers of energy when needed to meet load and during times when  
17 the cost of purchased power is lower than energy that could be generated  
18 internally. Gulf is also able to sell energy to the pool when excess  
19 generation is available and return the benefits of these sales to the  
20 customer. These energy purchases and sales are governed by the IIC  
21 which is approved by the Federal Energy Regulatory Commission (FERC).

22

23 Q. During the period January 2008 through December 2008, how did Gulf's  
24 actual net purchased power capacity cost compare with the net projected  
25 cost?

1 A. The actual net capacity cost for the January 2008 through December  
2 2008 recovery period, as shown on line 3 of Schedule CCA-2 of Witness  
3 Dodd's exhibit, was \$29,239,357. Gulf's projected net purchased power  
4 capacity cost for the same period was \$30,043,645, as indicated on line 3  
5 of Schedule CCE-1 of Witness Martin's exhibit filed September 4, 2007.  
6 The difference between the actual net capacity cost and the projected net  
7 capacity cost for the recovery period is \$804,228 or 2.68% lower than  
8 originally projected. This lower actual cost is due to Gulf's slightly lower  
9 IIC reserve sharing costs, as well as higher capacity revenues generated  
10 from Gulf's market based capacity contracts and slightly higher  
11 transmission revenues related to opportunity energy sales.

12  
13 Q. Was Gulf's actual 2008 IIC capacity cost prudently incurred and properly  
14 allocated to Gulf?

15 A. Yes. Gulf's capacity costs were incurred in accordance with the reserve  
16 sharing provisions of the IIC in which Gulf has been a participant for many  
17 years. Gulf's participation in the integrated SES that is governed by the  
18 IIC has produced and continues to produce substantial benefits for Gulf's  
19 customers and has been recognized as being prudent by the Florida  
20 Public Service Commission in previous proceedings and reviews.

21 Per contractual agreement in the IIC, Gulf and the other SES  
22 operating companies are obligated to provide for the continued operation  
23 of their electric facilities in the most economical manner that achieves the  
24 highest possible service reliability. The coordinated planning of future  
25 SES generation resource additions that produce adequate reserve

1 margins for the benefit of all SES operating companies' customers  
2 facilitates this "continued operation" in the most economical manner.

3 The IIC provides for mechanisms to facilitate the equitable sharing  
4 of the costs associated with the operation of facilities that exist for the  
5 mutual benefit of all the operating companies. In 2008, Gulf's reserve  
6 sharing cost represents the equitable sharing of the costs that the SES  
7 operating companies incurred to ensure that adequate generation reserve  
8 levels are available to provide reliable electric service to customers. This  
9 cost has been properly allocated to Gulf pursuant to the terms of the IIC.

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

12 A. Yes.

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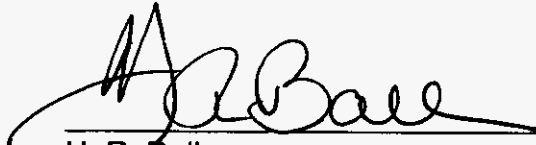
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AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA )

Docket No. 090001-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 6th day of March, 2009

  
\_\_\_\_\_  
Notary Public, State of Florida at Large

Commission Number: *DD 719129*

Commission Expires: *25 Jan 2012*



**GULF POWER COMPANY COAL SUPPLIERS**  
**January 1, 2008 – December 31, 2008**

<u>Contract Coal Suppliers</u>	<u>Tons Purchased (1)(2)</u>	
The American Coal Company	717,663	
Interocean Coal Sales, LDC	1,241,114	
Glencore LTD	457,046	
Coalsales LLC (Plant Daniel)	486,044	
Glencore, LTD (Plant Daniel)	461,950	
Twentymile Coal Company (Plant Daniel)	8,782	
Interocean Coal Sales, LDC (Plant Daniel)	111,861	
Oxbow Carbon & Minerals (Plant Daniel)	273,110	
<b>TOTAL Contract Coal</b>		<b>3,757,569</b>
<u>Spot Coal Suppliers</u>	<u>Tons Purchased (1)(2)</u>	
Arch Coal Sales	99,787	
Magnum Coal Sales	313,800	
Consol Energy, Inc.	106,163	
West Ridge Coal Co	409,134	
Interocean Coal Sales, LDC	73,708	
Converse Company	21,468	
Glencore LTD	30,420	
Coal Marketing Company	73,971	
Koch Carbon	40,495	
Alpha Coal Sales	142,243	
Constellation Energy Commodities	9,248	
Arch Coal Sales (Plant Daniel)	24,032	
Rio Tinto Energy (Plant Daniel)	20,421	
Twentymile Coal Company (Plant Daniel)	239,437	
<b>TOTAL Spot Coal</b>		<b>1,604,327</b>
<b>GRAND TOTAL COAL PURCHASES</b>		<b>5,361,895</b>

(1) Excludes Plant Scherer.

(2) Plant Daniel tons represent Gulf's 50% share of purchases.

**Gulf Contract Coal Supplies**

<u>Supplier</u>	<u>Plant</u>	<u>Shipped Quantity (tons)</u>	<u>Guaranteed Heating Value</u>	<u>Weighted Avg Price \$/MMBTU</u>
American Coal Company	Crist & Smith	717,663	12,000	
Interocean Coal Sales	Crist & Smith	1,275,470	11,500	
Glencore LTD	Crist & Smith	457,046	11,800	
American Coal Company	Crist & Smith	18,500	12,000	
<b>Weighted Average Price</b>	<b>Crist &amp; Smith</b>			<b>\$2.996</b>
Coalsales LLC	Daniel (Gulf 50%)	486,044	8700	
Twentymile Coal Co.	Daniel (Gulf 50%)	8,782	11350	
Glencore, LTD	Daniel (Gulf 50%)	461,950	11300	
Interocean Coal Sales, LDC	Daniel (Gulf 50%)	111,861	11000	
Oxbow Carbon	Daniel (Gulf 50%)	163,420	11700	
Oxbow Carbon	Daniel (Gulf 50%)	109,690	12000	
<b>Weighted Average Price</b>	<b>Daniel (Gulf 50%)</b>			<b>\$3.103</b>

**Gulf Spot Coal Supplies**

<u>Supplier</u>	<u>Plant</u>	<u>Shipped Quantity (tons)</u>	<u>Guaranteed Heating Value</u>	<u>Weighted Avg Price \$/MMBTU</u>
Arch Coal Sales	Crist & Smith	99,787	11,800	
Magnum Coal Sales	Crist & Smith	205,923	12,000	
Magnum Coal Sales	Crist & Smith	107,877	12,000	
Consol Energy, Inc.	Crist & Smith	106,163	12,000	
West Ridge Coal Co	Crist & Smith	443,490	12,200	
Interocean Coal Sales, LDC	Crist & Smith	73,708	11,300	
Converse Company	Crist & Smith	21,468	12,200	
Glencore LTD	Crist & Smith	30,420	12,800	
Coal Marketing Company	Crist & Smith	73,971	11,300	
<b>Weighted Average Price</b>	<b>Crist &amp; Smith</b>			<b>\$4.228</b>
Koch Carbon	Scholz	40,495	12350	
Alpha Coal Sales	Scholz	10,068	12500	
Alpha Coal Sales	Scholz	132,175	12500	
Constellation Energy	Scholz	9,248	12500	
<b>Weighted Average Price</b>	<b>Scholz</b>			<b>\$4.110</b>
Arch Coal Sales	Daniel (Gulf 50%)	24,032	11,800	
Rio Tinto Energy	Daniel (Gulf 50%)	20,421	8,800	
Twentymile Coal Co.	Daniel (Gulf 50%)	239,437	11,350	
<b>Weighted Average Price</b>	<b>Daniel (Gulf 50%)</b>			<b>\$3.703</b>

**Gulf Natural Gas Purchase Price Variance**

**Actual Gas Price vs. Market Gas Price  
For the Period January 2008 through December 2008**

Gas Purchase data taken from Schedule A-5  
Hedging Settlement Cost from Schedule A-1

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	<b>Gulf Actual Purchases MMBtu</b>	<b>Gas Purchases Gulf Actual Delivered Cost (Total Dollars)</b>	<b>Monthly Gas Hedge Settlement (Total Dollars)</b>	<b>Gulf Actual Gas Purchases Weighted Avg Commodity \$/MMBtu</b>	<b>Gulf Actual Gas Storage and Transportation \$/MMBtu</b>	<b>Gulf Actual Gas Purchases Delivered Cost \$/MMBtu</b>	<b>Gulf Hedged Gas Purchases Delivered Cost \$/MMBtu</b>	<b>FGT Zone 3 Weighted Avg Market Price Commodity \$/MMBtu</b>	<b>FGT Zone 3 Market Price + \$1.30 Storage and Transportation \$/MMBtu</b>
Jan-08	1,617,413	\$15,311,011	<b>\$532,730.49</b>	\$8.62	\$0.85	\$9.47	\$9.80	\$8.58	\$9.88
Feb-08	1,137,067	\$11,074,380	<b>\$195,040.77</b>	\$8.65	\$1.09	\$9.74	\$9.91	\$8.74	\$10.04
Mar-08	1,420,372	\$14,600,707	<b>(\$662,739.09)</b>	\$9.39	\$0.89	\$10.28	\$9.81	\$9.44	\$10.74
Apr-08	1,461,462	\$17,783,115	<b>(\$795,444.78)</b>	\$10.25	\$1.92	\$12.17	\$11.62	\$10.36	\$11.66
May-08	1,842,405	\$23,930,421	<b>(\$1,375,869.18)</b>	\$11.57	\$1.42	\$12.99	\$12.24	\$11.47	\$12.77
Jun-08	1,502,547	\$22,497,642	<b>(\$2,540,574.00)</b>	\$13.49	\$1.48	\$14.97	\$13.28	\$13.34	\$14.64
Jul-08	1,652,262	\$21,546,659	<b>(\$2,817,259.00)</b>	\$11.50	\$1.54	\$13.04	\$11.34	\$11.31	\$12.61
Aug-08	1,528,609	\$16,280,346	<b>\$6,557.00</b>	\$9.06	\$1.59	\$10.65	\$10.65	\$8.76	\$10.06
Sep-08	1,279,152	\$13,588,481	<b>\$1,044,240.00</b>	\$9.08	\$1.54	\$10.62	\$11.44	\$8.65	\$9.95
Oct-08	2,378,672	\$18,904,870	<b>\$2,288,684.00</b>	\$6.97	\$0.98	\$7.95	\$8.91	\$6.70	\$8.00
Nov-08	495,650	\$4,212,977	<b>\$2,536,215.00</b>	\$6.67	\$1.83	\$8.50	\$13.62	\$6.48	\$7.78
Dec-08	1,099,590	\$7,704,138	<b>\$3,326,145.00</b>	\$6.72	\$0.29	\$7.01	\$10.03	\$5.88	\$7.18
<b>TOTAL</b>	<b>17,415,201</b>	<b>\$187,434,747</b>	<b>\$1,737,726.21</b>	<b>\$9.50</b>	<b>\$1.26</b>	<b>\$10.76</b>	<b>\$10.86</b>	<b>\$9.32</b>	<b>\$10.62</b>

**Natural Gas Burn Cost Variance and Hedging Effectiveness  
For the Four Year Period 2005 – 2008**

Hedging Settlement Cost from Schedule A-1

Gas Cost of Net Generation and Gas Generation BTU's burned from Schedule A-3

	<b>Gas Burn for Generation <u>MMBtu</u></b>	<b>Gas Cost of Generation <u>Actual Cost</u></b>	<b>Gulf Hedge Settlement <u>Total \$</u></b>	<b>Gas Cost of Generation <u>Hedged Cost</u></b>	<b>Gas Cost of Generation <u>Actual Cost</u> \$/MMBtu</b>	<b>Gas Cost of Generation <u>Hedged Cost</u> \$/MMBtu</b>
Jan-05	1336992	\$ 10,063,657	\$ 252,980	\$ 10,316,637	\$ 7.53	\$ 7.72
Feb-05	1409337	\$ 9,945,388	\$ 399,320	\$ 10,344,708	\$ 7.06	\$ 7.34
Mar-05	1904145	\$ 14,474,876	\$ 128,230	\$ 14,603,106	\$ 7.60	\$ 7.67
Apr-05	1011455	\$ 9,279,417	\$ (571,755)	\$ 8,707,662	\$ 9.17	\$ 8.61
May-05	840709	\$ 7,687,891	\$ (432,340)	\$ 7,255,551	\$ 9.14	\$ 8.63
Jun-05	1360925	\$ 12,516,470	\$ (921,387)	\$ 11,595,083	\$ 9.20	\$ 8.52
Jul-05	1595817	\$ 14,962,616	\$ (1,359,870)	\$ 13,602,746	\$ 9.38	\$ 8.52
Aug-05	1680653	\$ 18,540,948	\$ (3,174,481)	\$ 15,366,467	\$ 11.03	\$ 9.14
Sep-05	1276908	\$ 20,332,068	\$ (5,434,906)	\$ 14,897,162	\$ 15.92	\$ 11.67
Oct-05	979861	\$ 15,840,941	\$ (4,348,649)	\$ 11,492,292	\$ 16.17	\$ 11.73
Nov-05	1396391	\$ 17,713,426	\$ (4,447,534)	\$ 13,265,892	\$ 12.69	\$ 9.50
Dec-05	419130	\$ 5,917,250	\$ (2,661,584)	\$ 3,255,666	\$ 14.12	\$ 7.77
Jan-06	551999	\$ 6,313,546	\$ 52,040	\$ 6,365,586	\$ 11.44	\$ 11.53
Feb-06	1011459	\$ 10,427,316	\$ 894,967	\$ 11,322,283	\$ 10.31	\$ 11.19
Mar-06	874555	\$ 8,199,272	\$ 2,369,750	\$ 10,569,022	\$ 9.38	\$ 12.09
Apr-06	872221	\$ 8,454,859	\$ 976,400	\$ 9,431,259	\$ 9.69	\$ 10.81
May-06	1303649	\$ 11,453,486	\$ 1,348,845	\$ 12,802,331	\$ 8.79	\$ 9.82
Jun-06	1308645	\$ 11,379,223	\$ 1,879,290	\$ 13,258,513	\$ 8.70	\$ 10.13
Jul-06	1653598	\$ 14,105,887	\$ 3,020,757	\$ 17,126,644	\$ 8.53	\$ 10.36
Aug-06	1981186	\$ 18,749,710	\$ 1,960,976	\$ 20,710,686	\$ 9.46	\$ 10.45
Sep-06	1604815	\$ 12,131,183	\$ 2,816,400	\$ 14,947,583	\$ 7.56	\$ 9.31
Oct-06	1815274	\$ 13,445,098	\$ 1,515,633	\$ 14,960,731	\$ 7.41	\$ 8.24
Nov-06	1243602	\$ 10,091,497	\$ 856,611	\$ 10,948,108	\$ 8.11	\$ 8.80
Dec-06	1065009	\$ 8,798,009	\$ 1,022,893	\$ 9,820,902	\$ 8.26	\$ 9.22
Jan-07	1454861	\$ 11,585,254	\$ 1,221,103	\$ 12,806,357	\$ 7.96	\$ 8.80
Feb-07	1776967	\$ 16,522,229	\$ 887,712	\$ 17,409,941	\$ 9.30	\$ 9.80



Florida Public Service Commission  
Docket No. 090001-EI  
**GULF POWER COMPANY**  
Witness: H. R. Ball  
Exhibit No. \_\_\_\_\_ (HRB-1)  
Schedule 4  
Page 2 of 2

	<b>Gas Burn for Generation MMBtu</b>	<b>Gas Cost of Generation Actual Cost</b>	<b>Gulf Hedge Settlement Total \$</b>	<b>Gas Cost of Generation Hedged Cost</b>	<b>Gas Cost of Generation Actual Cost \$/MMBtu</b>	<b>Gas Cost of Generation Hedged Cost \$/MMBtu</b>
Mar-07	2007565	\$ 16,148,663	\$ 1,030,480	\$ 17,179,143	\$ 8.04	\$ 8.56
Apr-07	1346327	\$ 11,754,925	\$ 103,000	\$ 11,857,925	\$ 8.73	\$ 8.81
May-07	836910	\$ 8,108,427	\$ 71,000	\$ 8,179,427	\$ 9.69	\$ 9.77
Jun-07	1366522	\$ 13,087,063	\$ 336,800	\$ 13,423,863	\$ 9.58	\$ 9.82
Jul-07	1602414	\$ 14,212,740	\$ 1,179,680	\$ 15,392,420	\$ 8.87	\$ 9.61
Aug-07	1824517	\$ 17,196,530	\$ 1,299,000	\$ 18,495,530	\$ 9.43	\$ 10.14
Sep-07	1328900	\$ 11,680,358	\$ 1,119,300	\$ 12,799,658	\$ 8.79	\$ 9.63
Oct-07	1497567	\$ 13,292,047	\$ 441,225	\$ 13,733,272	\$ 8.88	\$ 9.17
Nov-07	1330599	\$ 11,034,120	\$ 688,000	\$ 11,722,120	\$ 8.29	\$ 8.81
Dec-07	998660	\$ 8,483,467	\$ 820,133	\$ 9,303,600	\$ 8.49	\$ 9.32
Jan-08	1760307	\$ 16,341,336	\$ 532,730	\$ 16,874,066	\$ 9.28	\$ 9.59
Feb-08	1151325	\$ 11,205,719	\$ 195,041	\$ 11,400,760	\$ 9.73	\$ 9.90
Mar-08	1420931	\$ 14,588,395	\$ (662,739)	\$ 13,925,656	\$ 10.27	\$ 9.80
Apr-08	1399129	\$ 16,671,636	\$ (795,445)	\$ 15,876,191	\$ 11.92	\$ 11.35
May-08	1490478	\$ 19,205,110	\$ (1,375,869)	\$ 17,829,241	\$ 12.89	\$ 11.96
Jun-08	1434185	\$ 20,631,490	\$ (2,540,574)	\$ 18,090,916	\$ 14.39	\$ 12.61
Jul-08	1655661	\$ 22,549,890	\$ (2,817,259)	\$ 19,732,631	\$ 13.62	\$ 11.92
Aug-08	1586066	\$ 18,670,066	\$ 6,557	\$ 18,676,623	\$ 11.77	\$ 11.78
Sep-08	1337160	\$ 14,896,196	\$ 1,044,240	\$ 15,940,436	\$ 11.14	\$ 11.92
Oct-08	2378461	\$ 20,584,433	\$ 2,288,684	\$ 22,873,117	\$ 8.65	\$ 9.62
Nov-08	444771	\$ 4,025,144	\$ 2,536,215	\$ 6,561,359	\$ 9.05	\$ 14.75
Dec-08	1331474	\$ 10,282,072	\$ 3,326,145	\$ 13,608,217	\$ 7.72	\$ 10.22
<b>TOTAL</b>	<b>47,870,144</b>	<b>\$ 443,929,857</b>	<b>\$ 5,340,019</b>	<b>\$ 449,269,876</b>		
<b>Weighted Average Price</b>					<b>\$ 9.27</b>	<b>\$ 9.39</b>
<b>Variance</b>					<b>\$ 4.689</b>	<b>\$ 2.210</b>
<b>Standard Deviation</b>					<b>\$ 2.165</b>	<b>\$ 1.487</b>

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Gulf Natural Gas Hedging Transactions  
For the Period August 2008 through December 2008

								(A)	(B)	(C)	(E)	(F)
Counter	Deal	Deal	Transaction	Contract	Hedge	Quantity	Counter	Counter	CPS	GULF	GULF	GULF
Party	Type	Number	Date	Month	Month		Party	Party	Settle	Price	Index	Settle
							Price	Index	Price	Price	Price	Amount
ABNAMRO	Swap	2007.3948	8/20/2007 18:29	Aug-08	Aug-08	20000		NYMEX LD				
BANKAMER	Swap	2005.3636	11/2/2005 18:02	Aug-08	Aug-08	80000		NYMEX LD				
BANKAMER	Swap	2007.3949	8/21/2007 14:19	Aug-08	Aug-08	20000		NYMEX LD				
BANKAMER	Swap	2008.4113	7/25/2008 17:54	Aug-08	Aug-08	60000					NYMEX LD	
BANKAMER	Swap	2008.4117	7/28/2008 20:45	Aug-08	Aug-08	40000					NYMEX LD	
BARCLAYS	Swap	2005.362	10/12/2005 15:25	Aug-08	Aug-08	30000		NYMEX LD				
BARCLAYS	Swap	2006.3691	3/9/2006 16:50	Aug-08	Aug-08	10000		NYMEX LD				
BARCLAYS	Swap	2006.38	9/14/2006 15:58	Aug-08	Aug-08	10000		NYMEX LD				
BARCLAYS	Swap	2008.4116	7/28/2008 17:15	Aug-08	Aug-08	40000					NYMEX LD	
BARCLAYS	Swap	2008.4116	7/28/2008 19:49	Aug-08	Aug-08	50000					NYMEX LD	
CIBC	Swap	2005.3615	10/6/2005 22:39	Aug-08	Aug-08	30000		NYMEX LD				
CIBC	Swap	2006.373	5/25/2006 18:50	Aug-08	Aug-08	10000		NYMEX LD				
CIBC	Swap	2006.3731	5/26/2006 18:00	Aug-08	Aug-08	10000		NYMEX LD				
CIBC	Swap	2007.392	6/26/2007 20:48	Aug-08	Aug-08	10000		NYMEX LD				
CIBC	Swap	2007.3961	9/7/2007 14:57	Aug-08	Aug-08	20000		NYMEX LD				
CIBC	Swap	2007.3966	9/19/2007 17:55	Aug-08	Aug-08	30000		NYMEX LD				
CIBC	Swap	2007.3973	9/27/2007 14:57	Aug-08	Aug-08	30000		NYMEX LD				
CIBC	Swap	2007.3974	10/1/2007 14:26	Aug-08	Aug-08	20000		NYMEX LD				
CIBC	Swap	2007.3982	10/19/2007 18:18	Aug-08	Aug-08	60000		NYMEX LD				
CIBC	Swap	2007.3991	11/8/2007 17:44	Aug-08	Aug-08	20000		NYMEX LD				
CIBC	Swap	2007.3995	11/20/2007 17:55	Aug-08	Aug-08	20000		NYMEX LD				
CIBC	Swap	2007.4	11/28/2007 21:37	Aug-08	Aug-08	10000		NYMEX LD				
CIBC	Swap	2008.4095	7/7/2008 16:29	Aug-08	Aug-08	10000		NYMEX LD				
CIBC	Swap	2008.4098	7/9/2008 17:02	Aug-08	Aug-08	90000					NYMEX LD	
CIBC	Swap	2008.4103	7/17/2008 19:15	Aug-08	Aug-08	50000					NYMEX LD	
CIBC	Swap	2008.4104	7/17/2008 19:39	Aug-08	Aug-08	10000		NYMEX LD				
CIBC	Swap	2008.4112	7/25/2008 16:46	Aug-08	Aug-08	60000					NYMEX LD	
CIBC	Swap	2008.4115	7/28/2008 16:53	Aug-08	Aug-08	40000					NYMEX LD	
DEUTSCHE	Swap	2005.3616	10/6/2005 22:55	Aug-08	Aug-08	30000		NYMEX LD				
DEUTSCHE	Swap	2005.3638	11/4/2005 20:41	Aug-08	Aug-08	40000		NYMEX LD				
DEUTSCHE	Swap	2007.3995	11/20/2007 17:51	Aug-08	Aug-08	10000		NYMEX LD				
DEUTSCHE	Swap	2008.4087	6/24/2008 18:53	Aug-08	Aug-08	10000		NYMEX LD				
DEUTSCHE	Swap	2008.4098	7/9/2008 15:53	Aug-08	Aug-08	10000		NYMEX LD				
DEUTSCHE	Swap	2008.4099	7/10/2008 20:13	Aug-08	Aug-08	90000		NYMEX LD				
DEUTSCHE	Swap	2008.4117	7/28/2008 20:51	Aug-08	Aug-08	50000					NYMEX LD	
JPMORGAN	Swap	2006.3781	8/18/2006 18:56	Aug-08	Aug-08	20000		NYMEX LD				
JPMORGAN	Swap	2007.3983	10/22/2007 15:28	Aug-08	Aug-08	60000		NYMEX LD				
JPMORGAN	Swap	2007.4	11/28/2007 22:02	Aug-08	Aug-08	10000		NYMEX LD				
JPMORGAN	Swap	2008.4082	6/19/2008 20:13	Aug-08	Aug-08	10000		NYMEX LD				
JPMORGAN	Swap	2008.4115	7/28/2008 17:00	Aug-08	Aug-08	40000					NYMEX LD	
MTSUI	Swap	2005.3618	10/10/2005 18:50	Aug-08	Aug-08	30000		NYMEX LD				
MTSUI	Swap	2006.3733	5/31/2006 15:56	Aug-08	Aug-08	10000		NYMEX LD				
MTSUI	Swap	2007.3924	7/6/2007 13:42	Aug-08	Aug-08	20000		NYMEX LD				
MTSUI	Swap	2007.396	10/12/2007 15:44	Aug-08	Aug-08	60000		NYMEX LD				
MTSUI	Swap	2008.4093	7/2/2008 18:59	Aug-08	Aug-08	10000		NYMEX LD				
MTSUI	Swap	2008.4097	7/8/2008 17:56	Aug-08	Aug-08	10000		NYMEX LD				
MTSUI	Swap	2008.4102	7/17/2008 16:49	Aug-08	Aug-08	10000		NYMEX LD				
MTSUI	Swap	2008.411	7/24/2008 16:09	Aug-08	Aug-08	10000		NYMEX LD				
MTSUI	Swap	2008.4111	7/24/2008 19:47	Aug-08	Aug-08	50000					NYMEX LD	
MTSUI	Swap	2008.4117	7/28/2008 20:32	Aug-08	Aug-08	40000					NYMEX LD	
MORGAN	Swap	2007.3927	7/12/2007 16:01	Aug-08	Aug-08	20000		NYMEX LD				
Sussee	Swap	2006.3738	6/8/2006 16:25	Aug-08	Aug-08	10000		NYMEX LD				
Sussee	Swap	2007.3957	8/27/2007 20:55	Aug-08	Aug-08	20000		NYMEX LD				
Sussee	Swap	2007.4001	11/29/2007 20:46	Aug-08	Aug-08	10000		NYMEX LD				
Sussee	Swap	2007.4012	12/27/2007 16:56	Aug-08	Aug-08	10000		NYMEX LD				
Sussee	Swap	2008.4094	7/7/2008 15:46	Aug-08	Aug-08	10000		NYMEX LD				
Sussee	Swap	2008.4098	7/9/2008 15:52	Aug-08	Aug-08	30000		NYMEX LD				
Sussee	Swap	2008.4112	7/25/2008 15:20	Aug-08	Aug-08	60000					NYMEX LD	
Sussee	Swap	2008.4114	7/28/2008 16:41	Aug-08	Aug-08	40000					NYMEX LD	
Sussee	Swap	2008.4113	7/25/2008 17:20	Aug-08	Aug-08	310000		Gas Dly			NYMEX LD	
BANKAMER	Swap	2008.4113	7/25/2008 17:54	Sep-08	Aug-08	60000		NYMEX LD				
BANKAMER	Swap	2008.4117	7/28/2008 20:45	Sep-08	Aug-08	40000		NYMEX LD				
BARCLAYS	Swap	2008.4116	7/28/2008 17:15	Sep-08	Aug-08	40000		NYMEX LD				
BARCLAYS	Swap	2008.4116	7/28/2008 19:49	Sep-08	Aug-08	50000		NYMEX LD				
BARCLAYS	Swap	2008.4119	7/31/2008 15:28	Sep-08	Aug-08	20000					NYMEX LD	

8 Gulf Natural Gas Hedging Transactions  
9 For the Period August 2008 through December 2008

							(A)		(B)	(C)		(E)	(F)
	Counter	Deal	Transaction	Contract	Hedge	Quantity	Counter	Counter	CPSettle	GULF	GULF	GULF	GULF
	Party	Type	Date	Month	Month		Party	Party	Price	Price	Index	Settle	Settle
							Price	Index				Price	Amount
14	BARCLAYS	Swap	2008.4123	8/7/2008 14:18	Sep-08	Aug-08	20000						
15	BARCLAYS	Swap	2008.4125	8/8/2008 18:28	Sep-08	Aug-08	150000						
16	BARCLAYS	Swap	2008.4134	8/20/2008 14:38	Sep-08	Aug-08	10000						
17	BARCLAYS	Swap	2008.4141	8/26/2008 16:25	Sep-08	Aug-08	30000						
18	CIBC	Swap	2008.4103	7/17/2008 19:15	Sep-08	Aug-08	50000	NYMEX LD					
19	CIBC	Swap	2008.4112	7/25/2008 16:46	Sep-08	Aug-08	60000	NYMEX LD					
20	CIBC	Swap	2008.4115	7/28/2008 16:53	Sep-08	Aug-08	40000	NYMEX LD					
21	CIBC	Swap	2008.4119	8/1/2008 14:59	Sep-08	Aug-08	90000						
22	CIBC	Swap	2008.4128	8/13/2008 15:05	Sep-08	Aug-08	20000						
23	CIBC	Swap	2008.4131	8/15/2008 19:30	Sep-08	Aug-08	30000						
24	CIBC	Swap	2008.4135	8/21/2008 14:32	Sep-08	Aug-08	10000						
25	CIBC	Swap	2008.4142	8/27/2008 14:41	Sep-08	Aug-08	30000						
26	DEUTSCHE	Swap	2008.4117	7/28/2008 20:51	Sep-08	Aug-08	50000	NYMEX LD					
27	DEUTSCHE	Swap	2008.4121	8/5/2008 17:20	Sep-08	Aug-08	20000						
28	DEUTSCHE	Swap	2008.4129	8/14/2008 15:15	Sep-08	Aug-08	10000						
29	JPMORGAN	Swap	2008.4115	7/28/2008 17:00	Sep-08	Aug-08	40000	NYMEX LD					
30	JPMORGAN	Swap	2008.412	8/4/2008 16:40	Sep-08	Aug-08	20000						
31	JPMORGAN	Swap	2008.4127	8/12/2008 15:16	Sep-08	Aug-08	20000						
32	JPMORGAN	Swap	2008.4132	8/18/2008 18:04	Sep-08	Aug-08	10000						
33	JPMORGAN	Swap	2008.4136	8/22/2008 14:39	Sep-08	Aug-08	40000						
34	NETSUI	Swap	2008.4111	7/24/2008 19:47	Sep-08	Aug-08	50000	NYMEX LD					
35	NETSUI	Swap	2008.4117	7/28/2008 20:32	Sep-08	Aug-08	40000	NYMEX LD					
36	NETSUI	Swap	2008.4122	8/6/2008 14:58	Sep-08	Aug-08	20000						
37	Sussex	Swap	2008.4112	7/25/2008 15:20	Sep-08	Aug-08	60000	NYMEX LD					
38	Sussex	Swap	2008.4114	7/28/2008 16:41	Sep-08	Aug-08	40000	NYMEX LD					
39	Sussex	Swap	2008.4126	8/11/2008 14:21	Sep-08	Aug-08	20000						
40	Sussex	Swap	2008.4133	8/19/2008 14:37	Sep-08	Aug-08	20000						
41	Sussex	Swap	2008.4138	8/25/2008 14:45	Sep-08	Aug-08	30000						
42	TOTAL AUGUST												\$ (6,557)
43	ABNAMRO	Swap	2007.3948	8/20/2007 18:29	Sep-08	Sep-08	10000	NYMEX LD					
44	BANKAMER	Swap	2005.3636	11/2/2005 18:02	Sep-08	Sep-08	90000	NYMEX LD					
45	BANKAMER	Swap	2007.3949	8/21/2007 14:19	Sep-08	Sep-08	10000	NYMEX LD					
46	BARCLAYS	Swap	2008.3691	3/9/2008 16:50	Sep-08	Sep-08	10000	NYMEX LD					
47	BARCLAYS	Swap	2008.38	8/14/2008 15:58	Sep-08	Sep-08	10000	NYMEX LD					
48	BARCLAYS	Swap	2008.4141	8/26/2008 16:30	Sep-08	Sep-08	40000						
49	CIBC	Swap	2005.3615	10/6/2005 22:39	Sep-08	Sep-08	30000	NYMEX LD					
50	CIBC	Swap	2006.373	5/25/2006 18:50	Sep-08	Sep-08	10000	NYMEX LD					
51	CIBC	Swap	2006.3731	5/26/2006 18:00	Sep-08	Sep-08	10000	NYMEX LD					
52	CIBC	Swap	2007.392	6/26/2007 20:48	Sep-08	Sep-08	10000	NYMEX LD					
53	CIBC	Swap	2007.3961	9/7/2007 14:57	Sep-08	Sep-08	10000	NYMEX LD					
54	CIBC	Swap	2007.3966	9/19/2007 17:55	Sep-08	Sep-08	10000	NYMEX LD					
55	CIBC	Swap	2007.3973	9/27/2007 14:57	Sep-08	Sep-08	10000	NYMEX LD					
56	CIBC	Swap	2007.3982	10/19/2007 18:18	Sep-08	Sep-08	20000	NYMEX LD					
57	CIBC	Swap	2007.3991	11/8/2007 17:44	Sep-08	Sep-08	10000	NYMEX LD					
58	CIBC	Swap	2007.3995	11/20/2007 17:55	Sep-08	Sep-08	10000	NYMEX LD					
59	CIBC	Swap	2007.4	11/28/2007 21:37	Sep-08	Sep-08	10000	NYMEX LD					
60	CIBC	Swap	2008.4095	7/7/2008 16:29	Sep-08	Sep-08	10000	NYMEX LD					
61	CIBC	Swap	2008.4098	7/9/2008 17:02	Sep-08	Sep-08	90000						
62	CIBC	Swap	2008.4104	7/17/2008 19:39	Sep-08	Sep-08	10000	NYMEX LD					
63	CIBC	Swap	2008.4106	7/22/2008 17:45	Sep-08	Sep-08	20000	NYMEX LD					
64	CIBC	Swap	2008.4139	8/25/2008 21:41	Sep-08	Sep-08	80000						
65	CIBC	Swap	2008.414	8/26/2008 18:22	Sep-08	Sep-08	40000						
66	DEUTSCHE	Swap	2005.3616	10/6/2005 22:55	Sep-08	Sep-08	30000	NYMEX LD					
67	DEUTSCHE	Swap	2005.3638	11/4/2005 20:41	Sep-08	Sep-08	40000	NYMEX LD					
68	DEUTSCHE	Swap	2007.3995	11/20/2007 17:51	Sep-08	Sep-08	10000	NYMEX LD					
69	DEUTSCHE	Swap	2008.4087	6/24/2008 18:53	Sep-08	Sep-08	20000	NYMEX LD					
70	DEUTSCHE	Swap	2008.4098	7/9/2008 15:53	Sep-08	Sep-08	10000	NYMEX LD					
71	DEUTSCHE	Swap	2008.4099	7/10/2008 20:13	Sep-08	Sep-08	90000	NYMEX LD					
72	DEUTSCHE	Swap	2008.4137	8/22/2008 20:02	Sep-08	Sep-08	80000						
73	DEUTSCHE	Swap	2008.414	8/25/2008 22:13	Sep-08	Sep-08	40000						
74	JPMORGAN	Swap	2006.3781	8/18/2006 18:56	Sep-08	Sep-08	10000	NYMEX LD					
75	JPMORGAN	Swap	2007.3983	10/22/2007 15:28	Sep-08	Sep-08	20000	NYMEX LD					
76	JPMORGAN	Swap	2007.4	11/28/2007 22:02	Sep-08	Sep-08	10000	NYMEX LD					
77	JPMORGAN	Swap	2008.4082	6/19/2008 20:13	Sep-08	Sep-08	20000	NYMEX LD					
78	JPMORGAN	Swap	2008.4135	8/21/2008 20:06	Sep-08	Sep-08	80000						

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Gulf Natural Gas Hedging Transactions  
For the Period August 2008 through December 2008

								(A)	(B)	(C)	(E)	(F)	
	Counter Party	Deal Type	Deal Number	Transaction Date	Contract Month	Hedge Month	Quantity	Counter Party Price	Counter Party Index	CPSettle Price	GULF Index Price	GULF Settle Price	GULF Settle Amount
14	JPMORGAN	Swap	2008.4138	8/25/2008 19:36	Sep-08	Sep-08	80000						
15	mitsui	Swap	2005.3618	10/10/2005 18:50	Sep-08	Sep-08	30000						
16	mitsui	Swap	2006.3739	5/31/2006 15:56	Sep-08	Sep-08	10000						
17	mitsui	Swap	2007.3924	7/6/2007 13:42	Sep-08	Sep-08	10000						
18	mitsui	Swap	2007.398	10/12/2007 15:44	Sep-08	Sep-08	20000						
19	mitsui	Swap	2008.4093	7/2/2008 18:59	Sep-08	Sep-08	20000						
20	mitsui	Swap	2008.4097	7/8/2008 17:56	Sep-08	Sep-08	10000						
21	mitsui	Swap	2008.4102	7/17/2008 16:49	Sep-08	Sep-08	10000						
22	mitsui	Swap	2008.411	7/24/2008 16:03	Sep-08	Sep-08	10000						
23	mitsui	Swap	2008.4135	9/21/2008 19:07	Sep-08	Sep-08	80000						
24	mitsui	Swap	2008.4139	8/25/2008 22:06	Sep-08	Sep-08	80000						
25	MORGAN	Swap	2007.3927	7/12/2007 16:01	Sep-08	Sep-08	10000						
26	Suisse	Swap	2006.3738	6/8/2006 16:25	Sep-08	Sep-08	10000						
27	Suisse	Swap	2007.3957	8/27/2007 20:55	Sep-08	Sep-08	10000						
28	Suisse	Swap	2007.4012	12/27/2007 16:56	Sep-08	Sep-08	10000						
29	Suisse	Swap	2008.4094	7/7/2008 15:46	Sep-08	Sep-08	20000						
30	Suisse	Swap	2008.4098	7/8/2008 15:52	Sep-08	Sep-08	30000						
31	Suisse	Swap	2008.4137	8/22/2008 20:10	Sep-08	Sep-08	80000						
32	BARCLAYS	Swap	2008.4141	8/26/2008 16:30	Oct-08	Sep-08	40000						
33	BARCLAYS	Swap	2008.4143	8/29/2008 15:07	Oct-08	Sep-08	80000						
34	BARCLAYS	Swap	2008.4144	8/2/2008 14:58	Oct-08	Sep-08	20000						
35	BARCLAYS	Swap	2008.4149	9/9/2008 15:35	Oct-08	Sep-08	20000						
36	BARCLAYS	Swap	2008.4152	9/16/2008 15:46	Oct-08	Sep-08	20000						
37	CIBC	Swap	2008.4139	8/25/2008 21:41	Oct-08	Sep-08	80000						
38	CIBC	Swap	2008.414	8/26/2008 16:22	Oct-08	Sep-08	40000						
39	CIBC	Swap	2008.4148	8/5/2008 14:37	Oct-08	Sep-08	60000						
40	CIBC	Swap	2008.4151	9/12/2008 14:34	Oct-08	Sep-08	30000						
41	CIBC	Swap	2008.4155	9/23/2008 14:33	Oct-08	Sep-08	30000						
42	DEUTSCHE	Swap	2008.4137	8/22/2008 20:02	Oct-08	Sep-08	80000						
43	DEUTSCHE	Swap	2008.414	8/25/2008 22:13	Oct-08	Sep-08	40000						
44	DEUTSCHE	Swap	2008.4145	9/3/2008 14:22	Oct-08	Sep-08	20000						
45	DEUTSCHE	Swap	2008.415	9/10/2008 14:22	Oct-08	Sep-08	20000						
46	DEUTSCHE	Swap	2008.4154	9/19/2008 14:41	Oct-08	Sep-08	60000						
47	JPMORGAN	Swap	2008.4135	8/21/2008 20:06	Oct-08	Sep-08	80000						
48	JPMORGAN	Swap	2008.4138	8/25/2008 19:36	Oct-08	Sep-08	80000						
49	JPMORGAN	Swap	2008.4148	9/8/2008 14:39	Oct-08	Sep-08	20000						
50	JPMORGAN	Swap	2008.4152	9/15/2008 14:51	Oct-08	Sep-08	20000						
51	JPMORGAN	Swap	2008.4154	9/22/2008 14:26	Oct-08	Sep-08	30000						
52	JPMORGAN	Swap	2008.4159	9/26/2008 14:07	Oct-08	Sep-08	120000						
53	mitsui	Swap	2008.4135	8/21/2008 19:07	Oct-08	Sep-08	80000						
54	mitsui	Swap	2008.4139	8/25/2008 22:06	Oct-08	Sep-08	80000						
55	mitsui	Swap	2008.4153	9/17/2008 14:22	Oct-08	Sep-08	20000						
56	mitsui	Swap	2008.4156	9/25/2008 14:49	Oct-08	Sep-08	20000						
57	Suisse	Swap	2008.4137	8/22/2008 20:10	Oct-08	Sep-08	80000						
58	Suisse	Swap	2008.4146	9/4/2008 14:26	Oct-08	Sep-08	20000						
59	Suisse	Swap	2008.4151	9/11/2008 14:03	Oct-08	Sep-08	20000						
60	Suisse	Swap	2008.4153	9/18/2008 13:58	Oct-08	Sep-08	20000						
61	Suisse	Swap	2008.4155	9/24/2008 14:30	Oct-08	Sep-08	30000						
62	TOTAL SEPTEMBER												\$ (1,044,240)
63	ABNAMRO	Swap	2007.3948	8/20/2007 18:29	Oct-08	Oct-08	10000						
64	BANKAMER	Swap	2007.3949	8/21/2007 14:19	Oct-08	Oct-08	10000						
65	BANKAMER	Swap	2008.4159	9/26/2008 15:55	Oct-08	Oct-08	30000						
66	BARCLAYS	Swap	2006.38	9/14/2006 15:58	Oct-08	Oct-08	10000						
67	BARCLAYS	Swap	2008.4158	9/25/2008 19:18	Oct-08	Oct-08	80000						
68	CIBC	Swap	2005.3615	10/6/2005 22:39	Oct-08	Oct-08	30000						
69	CIBC	Swap	2006.373	5/25/2006 18:50	Oct-08	Oct-08	10000						
70	CIBC	Swap	2006.3731	5/26/2006 18:00	Oct-08	Oct-08	10000						
71	CIBC	Swap	2007.392	6/26/2007 20:48	Oct-08	Oct-08	10000						
72	CIBC	Swap	2007.3961	9/7/2007 14:57	Oct-08	Oct-08	10000						
73	CIBC	Swap	2007.3968	9/19/2007 17:55	Oct-08	Oct-08	10000						
74	CIBC	Swap	2007.3973	9/27/2007 14:57	Oct-08	Oct-08	10000						
75	CIBC	Swap	2007.3982	10/19/2007 18:18	Oct-08	Oct-08	20000						
76	CIBC	Swap	2007.3991	11/8/2007 17:44	Oct-08	Oct-08	10000						
77	CIBC	Swap	2007.3995	11/20/2007 17:55	Oct-08	Oct-08	10000						
78	CIBC	Swap	2007.4	11/28/2007 21:37	Oct-08	Oct-08	10000						

8 Gulf Natural Gas Hedging Transactions  
9 For the Period August 2008 through December 2008

								(A)	(B)	(C)	(E)	(F)
	Counter	Deal	Deal	Transaction	Contract	Hedge	Quantity	Counter	Counter	CPSettle	GULF	GULF
	Party	Type	Number	Date	Month	Month		Party	Party	Price	Settle	Settle
								Index	Index	Price	Price	Amount
14	CIBC	Swap	2008.4095	7/7/2008 16:29	Oct-08	Oct-08	10000		NYMEX LD			
15	CIBC	Swap	2008.4104	7/17/2008 19:39	Oct-08	Oct-08	10000		NYMEX LD			
16	CIBC	Swap	2008.4106	7/22/2008 17:45	Oct-08	Oct-08	20000		NYMEX LD			
17	CIBC	Swap	2008.412	8/4/2008 16:29	Oct-08	Oct-08	20000		NYMEX LD			
18	CIBC	Swap	2008.4124	8/8/2008 17:33	Oct-08	Oct-08	10000		NYMEX LD			
19	CIBC	Swap	2008.4125	8/8/2008 19:10	Oct-08	Oct-08	20000		NYMEX LD			
20	CIBC	Swap	2008.4158	9/25/2008 19:04	Oct-08	Oct-08	80000				NYMEX LD	
21	DEUTSCHE	Swap	2005.3616	10/6/2005 22:55	Oct-08	Oct-08	30000		NYMEX LD			
22	DEUTSCHE	Swap	2005.3638	11/4/2005 20:41	Oct-08	Oct-08	40000		NYMEX LD			
23	DEUTSCHE	Swap	2007.3995	11/20/2007 17:51	Oct-08	Oct-08	10000		NYMEX LD			
24	DEUTSCHE	Swap	2008.4087	6/24/2008 18:53	Oct-08	Oct-08	30000		NYMEX LD			
25	DEUTSCHE	Swap	2008.4098	7/9/2008 15:53	Oct-08	Oct-08	30000		NYMEX LD			
26	DEUTSCHE	Swap	2008.4157	9/25/2008 18:11	Oct-08	Oct-08	80000				NYMEX LD	
27	JPMORGAN	Swap	2007.3983	10/22/2007 15:28	Oct-08	Oct-08	20000		NYMEX LD			
28	JPMORGAN	Swap	2007.4	11/28/2007 22:02	Oct-08	Oct-08	10000		NYMEX LD			
29	JPMORGAN	Swap	2008.4082	6/19/2008 20:13	Oct-08	Oct-08	20000		NYMEX LD			
30	JPMORGAN	Swap	2008.4138	8/25/2008 19:24	Oct-08	Oct-08	200000		NYMEX LD			
31	mitsui	Swap	2007.3924	7/6/2007 13:42	Oct-08	Oct-08	10000		NYMEX LD			
32	mitsui	Swap	2007.398	10/12/2007 15:44	Oct-08	Oct-08	20000		NYMEX LD			
33	mitsui	Swap	2008.4093	7/2/2008 18:59	Oct-08	Oct-08	20000		NYMEX LD			
34	mitsui	Swap	2008.4097	7/8/2008 17:56	Oct-08	Oct-08	10000		NYMEX LD			
35	mitsui	Swap	2008.4102	7/17/2008 16:49	Oct-08	Oct-08	10000		NYMEX LD			
36	mitsui	Swap	2008.411	7/24/2008 16:03	Oct-08	Oct-08	20000		NYMEX LD			
37	mitsui	Swap	2008.4111	7/25/2008 12:47	Oct-08	Oct-08	50000		NYMEX LD			
38	mitsui	Swap	2008.4121	8/5/2008 17:11	Oct-08	Oct-08	20000		NYMEX LD			
39	MORGAN	Swap	2007.3927	7/12/2007 18:01	Oct-08	Oct-08	10000		NYMEX LD			
40	Suisse	Swap	2007.3957	8/27/2007 20:55	Oct-08	Oct-08	10000		NYMEX LD			
41	Suisse	Swap	2007.4012	12/27/2007 16:56	Oct-08	Oct-08	10000		NYMEX LD			
42	Suisse	Swap	2008.4094	7/7/2008 15:46	Oct-08	Oct-08	20000		NYMEX LD			
43	Suisse	Swap	2008.4096	7/9/2008 15:52	Oct-08	Oct-08	30000		NYMEX LD			
44	JPMORGAN	Swap	2008.4156	9/25/2008 16:20	Oct-08	Oct-08	310000		Gas Dly		NYMEX LD	
45	Suisse	Swap	2008.4157	9/25/2008 17:58	Oct-08	Oct-08	310000		Gas Dly		NYMEX LD	
46	BANKAMER	Swap	2008.4159	9/26/2008 15:55	Nov-08	Oct-08	30000		NYMEX LD			
47	BARCLAYS	Swap	2008.4158	9/25/2008 19:18	Nov-08	Oct-08	80000		NYMEX LD			
48	BARCLAYS	Swap	2008.4163	10/6/2008 15:02	Nov-08	Oct-08	20000				NYMEX LD	
49	BARCLAYS	Swap	2008.4165	10/9/2008 14:34	Nov-08	Oct-08	10000				NYMEX LD	
50	BARCLAYS	Swap	2008.4168	10/16/2008 16:27	Nov-08	Oct-08	10000				NYMEX LD	
51	BARCLAYS	Swap	2008.4176	10/28/2008 13:57	Nov-08	Oct-08	10000				NYMEX LD	
52	CIBC	Swap	2008.4158	9/25/2008 19:04	Nov-08	Oct-08	80000		NYMEX LD			
53	CIBC	Swap	2008.4164	10/7/2008 14:23	Nov-08	Oct-08	10000				NYMEX LD	
54	CIBC	Swap	2008.4172	10/24/2008 19:12	Nov-08	Oct-08	30000				NYMEX LD	
55	DEUTSCHE	Swap	2008.4157	9/25/2008 18:11	Nov-08	Oct-08	80000		NYMEX LD			
56	DEUTSCHE	Swap	2008.4161	10/2/2008 14:32	Nov-08	Oct-08	20000				NYMEX LD	
57	DEUTSCHE	Swap	2008.4165	10/10/2008 15:14	Nov-08	Oct-08	30000				NYMEX LD	
58	DEUTSCHE	Swap	2008.4169	10/20/2008 14:47	Nov-08	Oct-08	10000				NYMEX LD	
59	JPMORGAN	Swap	2008.4161	10/1/2008 14:09	Nov-08	Oct-08	20000				NYMEX LD	
60	JPMORGAN	Swap	2008.4164	10/8/2008 14:52	Nov-08	Oct-08	10000				NYMEX LD	
61	JPMORGAN	Swap	2008.4166	10/13/2008 14:35	Nov-08	Oct-08	10000				NYMEX LD	
62	JPMORGAN	Swap	2008.417	10/22/2008 14:26	Nov-08	Oct-08	10000				NYMEX LD	
63	Suisse	Swap	2008.416	9/30/2008 15:07	Nov-08	Oct-08	20000				NYMEX LD	
64	Suisse	Swap	2008.4162	10/3/2008 14:35	Nov-08	Oct-08	30000				NYMEX LD	
65	Suisse	Swap	2008.4166	10/14/2008 14:58	Nov-08	Oct-08	10000				NYMEX LD	
66	Suisse	Swap	2008.417	10/21/2008 15:28	Nov-08	Oct-08	10000				NYMEX LD	
67	TOTAL OCTOBER											\$ (2,288,684)
68	BARCLAYS	Swap	2007.395	8/21/2007 15:39	Nov-08	Nov-08	20000		NYMEX LD			
69	BARCLAYS	Swap	2007.3996	11/20/2007 19:39	Nov-08	Nov-08	10000		NYMEX LD			
70	BARCLAYS	Swap	2008.4103	7/17/2008 16:52	Nov-08	Nov-08	10000		NYMEX LD			
71	BARCLAYS	Swap	2008.4127	8/11/2008 20:05	Nov-08	Nov-08	10000		NYMEX LD			
72	CIBC	Swap	2007.4002	11/30/2007 17:23	Nov-08	Nov-08	40000		NYMEX LD			
73	CIBC	Swap	2008.4087	6/24/2008 19:38	Nov-08	Nov-08	10000		NYMEX LD			
74	CIBC	Swap	2008.4099	7/11/2008 19:29	Nov-08	Nov-08	10000		NYMEX LD			
75	CIBC	Swap	2008.4177	10/28/2008 14:22	Nov-08	Nov-08	30000				NYMEX LD	
76	DEUTSCHE	Swap	2007.3983	10/19/2007 18:23	Nov-08	Nov-08	20000		NYMEX LD			
77	DEUTSCHE	Swap	2008.4106	7/22/2008 17:58	Nov-08	Nov-08	10000		NYMEX LD			
78	DEUTSCHE	Swap	2008.4124	8/8/2008 17:31	Nov-08	Nov-08	20000		NYMEX LD			

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8 **Gulf Natural Gas Hedging Transactions**  
9 **For the Period August 2008 through December 2008**

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							(A)	(B)	(C)	(E)	(F)
	Counter	Deal	Deal	Transaction	Contract	Hedge	Quantity	Counter	Counter	GULF	GULF
	Party	Type	Number	Date	Month	Month		Party	Party	Settle	Settle
								Price	Index	Price	Price
											Amount
14	DEUTSCHE	Swap	2008.4126	8/11/2008 19:36	Nov-08	Nov-08	40000		NYMEX LD		
15	JPMORGAN	Swap	2006.382	12/4/2006 16:38	Nov-08	Nov-08	30000		NYMEX LD		
16	JPMORGAN	Swap	2007.392	6/26/2007 20:37	Nov-08	Nov-08	10000		NYMEX LD		
17	JPMORGAN	Swap	2008.4082	6/19/2008 20:23	Nov-08	Nov-08	20000		NYMEX LD		
18	JPMORGAN	Swap	2008.4095	7/7/2008 15:56	Nov-08	Nov-08	10000		NYMEX LD		
19	JPMORGAN	Swap	2008.41	7/15/2008 15:23	Nov-08	Nov-08	10000		NYMEX LD		
20	JPMORGAN	Swap	2008.4121	8/5/2008 18:08	Nov-08	Nov-08	30000		NYMEX LD		
21	JPMORGAN	Swap	2008.4123	8/7/2008 19:10	Nov-08	Nov-08	10000		NYMEX LD		
22	JPMORGAN	Swap	2008.4125	8/8/2008 19:13	Nov-08	Nov-08	20000		NYMEX LD		
23	JPMORGAN	Swap	2008.4134	8/19/2008 16:43	Nov-08	Nov-08	30000		NYMEX LD		
24	JPMORGAN	Swap	2008.4138	8/25/2008 19:24	Nov-08	Nov-08	300000		NYMEX LD		
25	mitsui	Swap	2006.383	12/27/2006 22:11	Nov-08	Nov-08	10000		NYMEX LD		
26	mitsui	Swap	2007.3965	9/18/2007 18:40	Nov-08	Nov-08	20000		NYMEX LD		
27	mitsui	Swap	2007.3974	9/28/2007 18:46	Nov-08	Nov-08	10000		NYMEX LD		
28	mitsui	Swap	2007.4006	12/11/2007 18:39	Nov-08	Nov-08	10000		NYMEX LD		
29	mitsui	Swap	2008.4097	7/8/2008 17:58	Nov-08	Nov-08	10000		NYMEX LD		
30	mitsui	Swap	2008.4111	7/25/2008 12:47	Nov-08	Nov-08	10000		NYMEX LD		
31	mitsui	Swap	2008.4176	10/28/2008 12:51	Nov-08	Nov-08	30000		NYMEX LD		
32	MORGAN	Swap	2007.3927	7/12/2007 16:08	Nov-08	Nov-08	20000		NYMEX LD		
33	Suisse	Swap	2007.3962	9/11/2007 19:41	Nov-08	Nov-08	20000		NYMEX LD		
34	Suisse	Swap	2007.3973	9/28/2007 18:40	Nov-08	Nov-08	10000		NYMEX LD		
35	Suisse	Swap	2008.4095	7/7/2008 16:00	Nov-08	Nov-08	10000		NYMEX LD		
36	Suisse	Swap	2008.4106	7/22/2008 17:48	Nov-08	Nov-08	10000		NYMEX LD		
37	Suisse	Swap	2008.4121	8/5/2008 17:24	Nov-08	Nov-08	20000		NYMEX LD		
38	Suisse	Swap	2008.4128	8/12/2008 16:27	Nov-08	Nov-08	50000		NYMEX LD		
39	Suisse	Swap	2008.4178	10/28/2008 12:31	Nov-08	Nov-08	200000		NYMEX LD		
40	JPMORGAN	Swap	2008.4174	10/27/2008 21:45	Nov-08	Nov-08	300000	Gas Diy			
41	Suisse	Swap	2008.4174	10/27/2008 21:21	Nov-08	Nov-08	300000	Gas Diy			
42	BARCLAYS	Swap	2008.4189	11/21/2008 15:33	Dec-08	Nov-08	60000		NYMEX LD		
43	CIBC	Swap	2008.4177	10/28/2008 14:22	Dec-08	Nov-08	30000		NYMEX LD		
44	CIBC	Swap	2008.418	11/6/2008 15:38	Dec-08	Nov-08	10000		NYMEX LD		
45	CIBC	Swap	2008.4182	11/12/2008 15:53	Dec-08	Nov-08	10000		NYMEX LD		
46	CIBC	Swap	2008.4185	11/19/2008 15:46	Dec-08	Nov-08	10000		NYMEX LD		
47	DEUTSCHE	Swap	2008.4179	11/3/2008 15:43	Dec-08	Nov-08	10000		NYMEX LD		
48	DEUTSCHE	Swap	2008.4184	11/17/2008 16:14	Dec-08	Nov-08	10000		NYMEX LD		
49	DEUTSCHE	Swap	2008.419	11/24/2008 17:12	Dec-08	Nov-08	60000		NYMEX LD		
50	JPMORGAN	Swap	2008.4179	11/5/2008 14:57	Dec-08	Nov-08	10000		NYMEX LD		
51	JPMORGAN	Swap	2008.4183	11/13/2008 15:46	Dec-08	Nov-08	10000		NYMEX LD		
52	JPMORGAN	Swap	2008.4187	11/20/2008 15:34	Dec-08	Nov-08	10000		NYMEX LD		
53	mitsui	Swap	2008.4178	10/28/2008 12:51	Dec-08	Nov-08	30000		NYMEX LD		
54	Suisse	Swap	2008.4176	10/28/2008 12:31	Dec-08	Nov-08	200000		NYMEX LD		
55	Suisse	Swap	2008.4178	10/31/2008 15:04	Dec-08	Nov-08	30000		NYMEX LD		
56	Suisse	Swap	2008.4179	11/4/2008 15:31	Dec-08	Nov-08	10000		NYMEX LD		
57	Suisse	Swap	2008.4181	11/11/2008 15:30	Dec-08	Nov-08	10000		NYMEX LD		
58	Suisse	Swap	2008.4184	11/18/2008 15:46	Dec-08	Nov-08	10000		NYMEX LD		
59	<b>TOTAL NOVEMBER</b>										<b>\$ (2,536,215)</b>
60	BANKAMER	Swap	2008.4188	11/20/2008 21:04	Dec-08	Dec-08	110000		NYMEX LD		
61	BARCLAYS	Swap	2007.395	8/21/2007 15:39	Dec-08	Dec-08	20000		NYMEX LD		
62	BARCLAYS	Swap	2007.3996	11/20/2007 19:39	Dec-08	Dec-08	10000		NYMEX LD		
63	BARCLAYS	Swap	2008.4103	7/17/2008 16:52	Dec-08	Dec-08	10000		NYMEX LD		
64	BARCLAYS	Swap	2008.4127	8/11/2008 20:05	Dec-08	Dec-08	10000		NYMEX LD		
65	BARCLAYS	Swap	2008.4188	11/20/2008 17:59	Dec-08	Dec-08	70000		NYMEX LD		
66	CIBC	Swap	2007.4002	11/30/2007 17:23	Dec-08	Dec-08	40000		NYMEX LD		
67	CIBC	Swap	2008.4087	8/24/2008 19:38	Dec-08	Dec-08	10000		NYMEX LD		
68	CIBC	Swap	2008.4099	7/11/2008 19:29	Dec-08	Dec-08	10000		NYMEX LD		
69	CIBC	Swap	2008.4185	11/19/2008 16:34	Dec-08	Dec-08	70000		NYMEX LD		
70	DEUTSCHE	Swap	2007.3983	10/19/2007 18:23	Dec-08	Dec-08	20000		NYMEX LD		
71	DEUTSCHE	Swap	2008.4106	7/22/2008 17:58	Dec-08	Dec-08	10000		NYMEX LD		
72	DEUTSCHE	Swap	2008.4124	8/8/2008 17:31	Dec-08	Dec-08	20000		NYMEX LD		
73	DEUTSCHE	Swap	2008.4126	8/11/2008 19:36	Dec-08	Dec-08	40000		NYMEX LD		
74	DEUTSCHE	Swap	2008.4186	11/19/2008 16:55	Dec-08	Dec-08	70000		NYMEX LD		
75	DEUTSCHE	Swap	2008.4189	11/20/2008 21:15	Dec-08	Dec-08	90000		NYMEX LD		
76	JPMORGAN	Swap	2006.382	12/4/2006 16:38	Dec-08	Dec-08	30000		NYMEX LD		
77	JPMORGAN	Swap	2007.392	6/26/2007 20:37	Dec-08	Dec-08	10000		NYMEX LD		
78	JPMORGAN	Swap	2008.4082	6/19/2008 20:23	Dec-08	Dec-08	20000		NYMEX LD		

Gulf Natural Gas Hedging Transactions  
For the Period August 2008 through December 2008

								(A)	(B)	(C)	(E)	(F)
	Counter	Deal	Transaction	Contract	Hedge		Quantity	Counter	Counter	CPSettle	GULF	GULF
	Party	Type	Date	Month	Month			Party	Party	Price	Price	Index
								Price	Index		Settle	Settle
		Number									Price	Amount
14	JPMORGAN	Swap	2008.4095	7/7/2008 15:58	Dec-08	Dec-08	10000		NYMEX LD			
15	JPMORGAN	Swap	2008.41	7/15/2008 15:23	Dec-08	Dec-08	10000		NYMEX LD			
16	JPMORGAN	Swap	2008.4121	8/5/2008 18:08	Dec-08	Dec-08	30000		NYMEX LD			
17	JPMORGAN	Swap	2008.4123	8/7/2008 19:10	Dec-08	Dec-08	10000		NYMEX LD			
18	JPMORGAN	Swap	2008.4125	8/8/2008 19:13	Dec-08	Dec-08	20000		NYMEX LD			
19	JPMORGAN	Swap	2008.4134	8/19/2008 16:43	Dec-08	Dec-08	30000		NYMEX LD			
20	JPMORGAN	Swap	2008.4138	8/25/2008 19:24	Dec-08	Dec-08	300000		NYMEX LD			
21	JPMORGAN	Swap	2008.4186	11/19/2008 17:10	Dec-08	Dec-08	70000				NYMEX LD	
22	JPMORGAN	Swap	2008.419	11/24/2008 16:49	Dec-08	Dec-08	100000				NYMEX LD	
23	MTSUI	Swap	2006.383	12/27/2006 22:11	Dec-08	Dec-08	10000		NYMEX LD			
24	MTSUI	Swap	2007.3965	9/18/2007 18:40	Dec-08	Dec-08	20000		NYMEX LD			
25	MTSUI	Swap	2007.3974	9/28/2007 18:46	Dec-08	Dec-08	10000		NYMEX LD			
26	MTSUI	Swap	2007.4006	12/11/2007 18:39	Dec-08	Dec-08	10000		NYMEX LD			
27	MTSUI	Swap	2008.4087	7/8/2008 17:58	Dec-08	Dec-08	10000		NYMEX LD			
28	MTSUI	Swap	2008.4111	7/25/2008 12:47	Dec-08	Dec-08	10000		NYMEX LD			
29	MORGAN	Swap	2007.3927	7/12/2007 18:08	Dec-08	Dec-08	20000		NYMEX LD			
30	Sussee	Swap	2007.3962	9/11/2007 19:41	Dec-08	Dec-08	20000		NYMEX LD			
31	Sussee	Swap	2007.3973	9/26/2007 18:40	Dec-08	Dec-08	10000		NYMEX LD			
32	Sussee	Swap	2008.4095	7/7/2008 16:00	Dec-08	Dec-08	10000		NYMEX LD			
33	Sussee	Swap	2008.4106	7/22/2008 17:48	Dec-08	Dec-08	10000		NYMEX LD			
34	Sussee	Swap	2008.4121	8/5/2008 17:24	Dec-08	Dec-08	20000		NYMEX LD			
35	Sussee	Swap	2008.4128	8/12/2008 16:27	Dec-08	Dec-08	60000		NYMEX LD			
36	JPMORGAN	Swap	2008.4187	11/20/2008 16:34	Dec-08	Dec-08	310000		Gas Dly		NYMEX LD	
37	BANKAMER	Swap	2008.4188	11/20/2008 21:04	Jan-09	Dec-08	110000		NYMEX LD			
38	BANKAMER	Swap	2008.42	12/19/2008 16:13	Jan-09	Dec-08	30000				NYMEX LD	
39	BARCLAYS	Swap	2008.4188	11/20/2008 17:59	Jan-09	Dec-08	70000		NYMEX LD			
40	BARCLAYS	Swap	2008.4192	12/3/2008 15:48	Jan-09	Dec-08	20000				NYMEX LD	
41	BARCLAYS	Swap	2008.4196	12/11/2008 15:26	Jan-09	Dec-08	20000				NYMEX LD	
42	BARCLAYS	Swap	2008.4198	12/17/2008 15:41	Jan-09	Dec-08	20000				NYMEX LD	
43	BARCLAYS	Swap	2008.4201	12/22/2008 16:07	Jan-09	Dec-08	20000				NYMEX LD	
44	CIBC	Swap	2008.4185	11/19/2008 16:34	Jan-09	Dec-08	70000		NYMEX LD			
45	CIBC	Swap	2008.4192	12/2/2008 15:31	Jan-09	Dec-08	20000				NYMEX LD	
46	CIBC	Swap	2008.4196	12/10/2008 15:20	Jan-09	Dec-08	20000				NYMEX LD	
47	DEUTSCHE	Swap	2008.4186	11/19/2008 16:55	Jan-09	Dec-08	70000		NYMEX LD			
48	DEUTSCHE	Swap	2008.4189	11/20/2008 21:15	Jan-09	Dec-08	90000		NYMEX LD			
49	DEUTSCHE	Swap	2008.4193	12/4/2008 15:05	Jan-09	Dec-08	20000				NYMEX LD	
50	DEUTSCHE	Swap	2008.4197	12/15/2008 15:36	Jan-09	Dec-08	10000				NYMEX LD	
51	JPMORGAN	Swap	2008.4186	11/19/2008 17:10	Jan-09	Dec-08	70000		NYMEX LD			
52	JPMORGAN	Swap	2008.419	11/24/2008 16:49	Jan-09	Dec-08	100000		NYMEX LD			
53	JPMORGAN	Swap	2008.4191	12/1/2008 15:48	Jan-09	Dec-08	20000				NYMEX LD	
54	JPMORGAN	Swap	2008.4194	12/8/2008 15:35	Jan-09	Dec-08	20000				NYMEX LD	
55	JPMORGAN	Swap	2008.4203	12/23/2008 15:10	Jan-09	Dec-08	140000				NYMEX LD	
56	SCOTIA	Swap	2008.4195	12/9/2008 15:30	Jan-09	Dec-08	20000				NYMEX LD	
57	SCOTIA	Swap	2008.4197	12/16/2008 15:22	Jan-09	Dec-08	20000				NYMEX LD	
58	Sussee	Swap	2008.4191	11/26/2008 16:01	Jan-09	Dec-08	20000				NYMEX LD	
59	Sussee	Swap	2008.4194	12/5/2008 15:38	Jan-09	Dec-08	120000				NYMEX LD	
60	Sussee	Swap	2008.4196	12/12/2008 15:56	Jan-09	Dec-08	30000				NYMEX LD	
61	Sussee	Swap	2008.4198	12/18/2008 15:03	Jan-09	Dec-08	10000				NYMEX LD	
62	TOTAL DECEMBER											\$ (3,326,145)