

10/20/09

Gulf Power Company Fuel Price Hedging Costs
 Dkt 090001-EI ; ACN 09-190-1-1;
 August 1, 2008 – July 31, 2009
 Description: hedge VS Burn

48-13.1

Response to Hedging 6, Items 2-3

Gulf Natural Gas Purchase Price Variance
 Actual Gas Price vs. Market Gas Price

Gulf Gas Purchase data taken from Schedules A-5

A

	Gulf Actual Purchases MMBtu	Gas Purchases Gulf Actual Delivered Cost (Total Dollars)	Monthly Gas Hedge Settlement (Total Dollars)	Gulf Actual Gas Purchases Weighted Average Commodity \$/MMBtu	Gulf Actual Gas Storage and Transportation \$/MMBtu	Gulf Actual Gas Purchases Delivered Cost \$/MMBtu	Gulf Hedged Gas Purchases Delivered Cost \$/MMBtu	Henry Hub Weighted Average Market Price Commodity \$/MMBtu	Gulf Hedge Average NYMEX Settlement Price \$/MMBtu
Aug-08	48-13.2 1,528,609	48-13.2 \$16,280,346	48-13.2 \$6,557.00	\$9.06	\$1.59	\$10.65	\$10.65	\$8.30	\$8.35
Sep-08	1,279,152	\$13,588,481	\$1,044,240.00	\$9.08	\$1.54	\$10.62	\$11.44	\$7.70	\$7.51
Oct-08	2,378,672	\$18,904,870	\$2,288,684.00	\$6.97	\$0.98	\$7.95	\$8.91	\$6.75	\$6.79
Nov-08	495,650	\$4,212,977	\$2,536,215.00	\$6.67	\$1.83	\$8.50	\$13.62	\$6.62	\$6.63
Dec-08	1,099,590	\$7,704,138	\$3,326,145.00	\$6.72	\$0.29	\$7.01	\$10.03	\$5.79	\$5.80
Jan-09	1,748,490	\$10,344,634	\$3,803,955.00	\$5.57	\$0.35	\$5.92	\$8.09	\$5.25	\$5.09
Feb-09	2,453,913	\$12,791,186	\$4,173,375.00	\$4.77	\$0.44	\$5.21	\$6.91	\$4.54	\$4.39
Mar-09	1,926,235	\$8,994,751	\$3,233,845.00	\$4.16	\$0.51	\$4.67	\$6.35	\$3.96	\$4.03
Apr-09	2,774,071	\$12,446,229	\$4,448,560.00	\$3.69	\$0.80	\$4.49	\$6.09	\$3.51	\$3.54
May-09	2,419,364	\$11,772,998	\$3,920,849.00	\$3.85	\$1.01	\$4.87	\$6.49	\$3.75	\$3.78
Jun-09	2,376,924	\$11,899,198	\$5,652,830.00	\$4.00	\$1.01	\$5.01	\$7.38	\$3.79	\$3.84
Jul-09	2,195,908	\$10,138,535	\$6,569,231.00	\$3.53	\$1.09	\$4.62	\$7.61	\$3.40	\$3.51
TOTAL	22,676,578	\$139,078,343	\$41,004,486.00	\$5.25	\$0.89	\$6.13	\$7.94	\$4.92	\$4.91

Note: Column J represents the weighted average settlement of the Unwinds & Gas Daily Conversions implemented for each specific month.

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PBC

SOURCE

Gulf Power Company
 Hedging Transactions Audit
 For Period August 1, 2008 to July 31, 2009

Docket No 090001-EI
 Audit Control No 09-190-1-1
 File 2009 Hedging Settlements
 Auditor Debra Dobiac

Natural Gas MMBTUs	August	September	October	November	December	January	February	March	April	May	June	July	Total
Projected Purchases:	1,879,294 2-1.0	1,138,135 2-1.1	1,684,424 2-1.2	1,638,017 2-1.3	1,734,706 2-1.4	1,772,280 2-1.5	1,642,219 2-1.6	952,881 2-1.7	1,534,711 2-1.8	1,414,598 2-1.9	1,665,310 2-1.10	1,751,630 2-1.11	18,808,205
Projected Burn:	1,879,294	1,138,135	1,684,424	1,638,017	1,734,706	1,772,280	1,642,219	952,881	1,534,711	1,414,598	1,854,909	2,419,181	19,665,355
Settled Hedging Transactions:	930,000	680,000	890,000	880,000	890,000	870,000	850,000	650,000	830,000	770,000	1,110,000	1,200,000	10,550,000
% of Purchases	49.49%	59.75%	52.84%	53.72%	51.31%	49.09%	51.76%	68.21%	54.08%	54.43%	66.65%	68.51%	56.09%
% of Burned	49.49%	59.75%	52.84%	53.72%	51.31%	49.09%	51.76%	68.21%	54.08%	54.43%	59.84%	49.60%	53.65%

NOTE: As per the Risk Management Plan, filed with the FPSC on September 2, 2008
 Gulf Power will financially hedge gas prices generally between 40% - 60% of its projected annual gas burn for the current year
 Gulf Power will utilize fixed price swaps as its primary financial gas price hedging instrument but may also utilize options to a lesser degree when appropriate
 Gulf Power will limit the amount of fixed-price hedges to 100% of the projected fuel burn for the upcoming year.
 Gulf Power will limit option priced hedges to 110% of its projected burn
 Gulf Power will take forward hedge positions for up to 60 months into the future
 Gulf Power will secure natural gas hedges over a time period not to exceed 60 months
Agrees to Risk Management Plan without exception.
 See WP 10-4.1 and 10-5.1 for additional information DD

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SOURCE As Referenced

10/22/09

48-13.3