

10/30/2009 4:34 PM

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090001-EI

From: Rogers, Mallory [MAROGER@SOUTHERNCO.COM]
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Subject: E-filing

Attachments: 10-30-09 Voluntary Dismissal.pdf



10-30-09
Voluntary Dismissal

A. Susan D. Ritenour
Gulf Power Company
One Energy Place
Pensacola FL 32520
850.444.6696
maroger@southernco.com<mailto:maroger@southernco.com>

B. Docket No. 090001-EI

C. Gulf Power Company

D. Document consists of 92 pages.

E. The attached document is Gulf's notice of voluntary dismissal withdrawing a portion of Gulf's request for cost recovery.

Mallory M. Rogers
Administrative Assistant | Corporate Secretary Gulf Power Company | Bin 0786
Tel: 850.444.6696 | Fax: 850.444.6026
Email: maroger@southernco.com

Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

Tel 850.444.6231
Fax 850.444.6026
SDRITENO@southernco.com



October 30, 2009

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

Dear Ms. Cole:

Re: Docket No. 090001-EI

Enclosed is Gulf Power Company's notice of voluntary dismissal withdrawing the portion of Gulf's request for cost recovery associated with the construction and operation of the Perdido Landfill Gas to Energy Facility. This notice of voluntary dismissal renders Issue 4C moot. Attached to this notice of voluntary dismissal are a revised petition consistent with this notice of voluntary dismissal (Attachment A), revised testimony and exhibits of R.W. Dodd and H.R. Ball (Attachment B) and revised positions on the generic issues affected by this notice of voluntary dismissal (Attachment C).

Sincerely,

Susan D. Ritenour

mr

Enclosures

cc: Beggs & Lane
Jeffrey A. Stone, Esq.

DOCUMENT NUMBER DATE

11022 OCT 30 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 20th day of October, 2009, on the following:

John T. Burnett, Esq.
Progress Energy Service Co.
P. O. Box 14042
St. Petersburg FL 33733-4042

Mehrdad Khojasteh
Florida Public Utilities Company
P. O. Box 3395
West Palm Beach FL 33402-3395

Lisa Bennett, Esq.
FL Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0863

John T. Butler, Esq.
Senior Attorney for Florida Power &
Light Company
700 Universe Boulevard
Juno Beach FL 33408-0420

Patricia Ann Christensen
Associate Public Counsel
Office of Public Counsel
111 West Madison Street, Rm. 812
Tallahassee, FL 32399- 1400

Wade Litchfield
Vice President
Florida Power & Light Co.
215 S. Monroe Street, Ste. 810
Tallahassee FL 32301-1859

John W. McWhirter, Jr., Esq.
Attorney for FIPUG
McWhirter Reeves & Davidson
P.O. Box 3350
Tampa, FL 33601-3350

Lee L. Willis, Esq.
James D. Beasley, Esq.
Attorneys for Tampa Electric Co. Ausley &
McMullen
P. O. Box 391
Tallahassee FL 32302

Paula K. Brown, Administrator
Regulatory Coordination
Tampa Electric Company
P. O. Box 111
Tampa FL 33601

Paul Lewis, Jr.
Progress Energy Florida, Inc.
106 E. College Ave., Ste. 800
Tallahassee FL 32301-7740

Curtis D. Young
Florida Public Utilities Company
PO Box 3395
West Palm Beach, FL 33402-3395

Norman H. Horton, Jr., Esq.
Messer, Caparello & Self, P.A.
P. O. Box 15579
Tallahassee FL 32317

Vicki Kaufman
Jon Moyle
Keefe Anchors Gordon & Moyle PA
118 N. Gadsden St.
Tallahassee, FL 32301

Cecilia Bradley
Senior Assistant Attorney General
Office of the Attorney General
The Capitol-PL01
Tallahassee FL 32399-1050

James W. Brew
Brickfield, Burchette, et al., P.C.
1025 Thomas Jefferson St., NW
Eighth, West Tower
Washington DC 20007-5201

Shayla L. McNeill, Capt. USAF
Karen S. White
AFLSA/JACL-ULT
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403

John Rogers, General Counsel
Florida Retail Federation
100 East Jefferson Street
Tallahassee FL 32301

Robert Scheffel Wright
John T. LaVia, III
Young van Assenderp, P.A.
225 S. Adams Street, Suite 200
Tallahassee FL 32301

Randy B. Miller
Brickfield, Burchette, et al., P.C.
1025 Thomas Jefferson St., NW
Eighth, West Tower
Washington DC 20007-5201

/s/ Russell A. Badders

JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 007455

STEVEN R. GRIFFIN

Florida Bar No. 0627569

BEGGS & LANE

P. O. Box 12950

Pensacola FL 32591-2950

(850) 432-2451

Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost)
Recovery Clauses and Generating) Docket No.: 090001-EI
Performance Incentive Factor.) Filed: October 30, 2009
_____)

**NOTICE OF VOLUNTARY DISMISSAL
WITHDRAWING A PORTION OF
GULF'S REQUEST FOR COST RECOVERY**

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned counsel, enters this notice of voluntary dismissal withdrawing the portion of Gulf's request for cost recovery associated with the construction and operation of the Perdido Landfill Gas to Energy Facility. This notice of voluntary dismissal renders Issue 4C moot. Attached to this notice of voluntary dismissal are a revised petition consistent with this notice of voluntary dismissal (Attachment A), revised testimony and exhibits of R.W. Dodd and H .R. Ball (Attachment B) and revised positions on the generic issues affected by this notice of voluntary dismissal (Attachment C).

Dated the 30th day of October, 2009.

/s/: Russell A. Badders

JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 007455

STEVEN R. GRIFFIN

Florida Bar No. 0627569

Beggs & Lane

P. O. Box 12950

Pensacola, FL 32591

(850) 432-2451

Attorneys for Gulf Power Company

DOCUMENT NUMBER-DATE

11022 OCT 30 09

FPSC-COMMISSION CLERK

ATTACHMENT A

(Revisions are identified by either red-line strikethrough or shading)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost)
Recovery Clauses and Generating) Docket No.: 090001-EI
Performance Incentive Factor.) Filed: October 30, 2009
_____)

**PETITION OF GULF POWER COMPANY FOR APPROVAL OF
FINAL FUEL COST TRUE-UP AMOUNTS
FOR JANUARY 2008 THROUGH DECEMBER 2008;
FINAL GPIF ADJUSTMENT
FOR JANUARY 2008 THROUGH DECEMBER 2008;
ESTIMATED FUEL COST TRUE-UP AMOUNTS
FOR JANUARY 2009 THROUGH DECEMBER 2009;
PROJECTED FUEL COST RECOVERY AMOUNTS
FOR JANUARY 2010 THROUGH DECEMBER 2010;
FINAL PURCHASED POWER CAPACITY COST TRUE-UP AMOUNTS
FOR JANUARY 2008 THROUGH DECEMBER 2008;
ESTIMATED PURCHASED POWER CAPACITY COST TRUE-UP AMOUNTS
FOR JANUARY 2009 THROUGH DECEMBER 2009;
PROJECTED PURCHASED POWER CAPACITY COST RECOVERY AMOUNTS
FOR JANUARY 2010 THROUGH DECEMBER 2010;
ESTIMATED AS-AVAILABLE AVOIDED ENERGY COSTS;
GPIF TARGETS AND RANGES FOR JANUARY 2010 THROUGH DECEMBER 2010;
FINANCIAL HEDGING ACTIVITIES AND SETTLEMENTS
FOR AUGUST 2008 THROUGH JULY 2009;
GULF POWER COMPANY'S RISK MANAGEMENT PLAN FOR FUEL
PROCUREMENT;
~~COSTS ASSOCIATED WITH CONSTRUCTION AND OPERATION OF
THE PERDIDO LANDFILL GAS TO ENERGY FACILITY;~~
FUEL COST RECOVERY FACTORS TO BE APPLIED BEGINNING WITH THE
PERIOD JANUARY 2010 THROUGH DECEMBER 2010; AND
CAPACITY COST RECOVERY FACTORS TO BE APPLIED BEGINNING WITH THE
PERIOD JANUARY 2010 THROUGH DECEMBER 2010**

Notices and communications with respect to this petition and docket should be addressed to:

Jeffrey A. Stone
Russell A. Badders
Steven R. Griffin
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32591

Susan D. Ritenour
Secretary and Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned counsel, hereby petitions this Commission for approval of the Company's (a) final fuel adjustment true-up amounts for the period January 2008 through December 2008; (b) final GPIF adjustment; (c) estimated fuel cost true-up amounts for the period January 2009 through December 2009; (d) projected fuel cost recovery amounts for the period January 2010 through December 2010; (e) final purchased power capacity cost true-up amounts for the period January 2008 through December 2008; (f) estimated purchased power capacity cost true-up amounts for the period January 2009 through December 2009; (g) projected purchased power capacity cost recovery amounts for the period January 2010 through December 2010; (h) estimated as-available avoided energy costs for qualifying facilities (QF's); (i) GPIF targets and ranges for January 2010 through December 2010; (j) financial hedging activities and settlements for August 2008 through July 2009; (k) Gulf Power Company's Risk Management Plan for Fuel Procurement; (l) ~~costs associated with construction and operation of the Perdido Landfill Gas to Energy Facility;~~ (m) fuel cost recovery factors to be applied beginning with the period January 2010 through December 2010; and (n) capacity cost recovery factors to be applied beginning with the period January 2010 through December 2010.

As grounds for the relief requested by this petition, the Company would respectfully show:

FINAL FUEL ADJUSTMENT TRUE-UP

(1) By vote of the Commission at the November 2008 hearings, estimated fuel true-up amounts were approved by the Commission, subject to establishing the final fuel true-up amounts. According to the data filed by Gulf for the period ending December 31, 2008, the

actual fuel true-up amount for the subject twelve months should be an under recovery of \$107,138,306 instead of the estimated under recovery of \$58,380,329 as approved previously by this Commission. The difference between these two amounts, \$48,757,977, is submitted for approval by the Commission to be collected in the next period. The supporting data has been prepared in accordance with the uniform system of accounts as applicable to the Company's fuel cost procedures and fairly presents the Company's fuel and purchased energy expenses for the period. Amounts spent by the Company for fuel and purchased energy are reasonable and prudent, and the Company makes every effort to secure the most favorable price for all of the fuel it purchases and for its energy purchases.

GPIF ADJUSTMENT

(2) On April 3, 2009, Gulf filed the testimony and exhibit of M. A. Young containing the Company's actual operating results for the period January 2008 through December 2008. Based on the actual operating results for the period January 2008 through December 2008, Gulf should receive a reward in the amount of \$113,177. The methodology used by Gulf in determining the various factors required to compute the GPIF is in accordance with the requirements of the Commission.

ESTIMATED FUEL COST TRUE-UP

(3) Gulf has calculated its estimated fuel cost true-up amount for the period January 2009 through December 2009. Based on six months actual experience and six months projected data, the Company's estimated fuel cost true-up amount for the current period (January 2009 through December 2009) is an over recovery of \$36,414,908. The supporting data is provided in

the testimony and schedules of R. W. Dodd filed herewith. The estimated fuel cost true-up for the current period is combined with the net final fuel adjustment true-up for the period ending December 2008 to reach the total fuel cost true-up to be addressed in the factors for the next fuel cost recovery period. The proposed fuel cost recovery factors reflect the collection of this total true-up amount, \$12,343,069, during the period of January 2010 through December 2010.

PROJECTED FUEL COST RECOVERY AMOUNTS

(4) Gulf has calculated its projected fuel cost recovery amounts for the months January 2010 through December 2010 for fuel and purchased energy in accordance with the procedures set out in this Commission's Orders Nos. 6357, 7890, 7501, and 9273 of Docket No. 74680-EI and with the orders entered in this ongoing cost recovery docket. The computations thereof are attached as Schedule E-1 of the exhibit to the testimony of R. W. Dodd filed herewith. The supporting data prepared in accordance with the Commission Staff's suggested procedures and format is attached as Schedules E-1 through E-11, and H-1 ~~and E-12~~ of the exhibit to the testimony of R.W. Dodd filed herewith. Said schedules are by reference made a part hereof. The proposed amounts and supporting data have been prepared in accordance with the uniform system of accounts as applicable to the Company's fuel cost projection procedures and fairly present the Company's best estimate of fuel and purchased energy expense for the projected period. Amounts projected by the Company for fuel and purchased energy are reasonable and prudent, and the Company continues to make every effort to secure the most favorable price for all of the fuel it purchases and for its purchased energy.

FINAL PURCHASED POWER CAPACITY COST TRUE-UP

(5) By vote of the Commission at the November 2008 hearings, estimated purchased power capacity cost true-up amounts were approved by the Commission, subject to establishing the final purchased power capacity cost true-up amounts. According to the data filed by Gulf for the twelve-month period ending December 2008, the final purchased power capacity cost true-up amount for the subject twelve months should be an actual over recovery of \$405,362 instead of the estimated under recovery of \$274,796 as approved previously by this Commission. The difference between these two amounts, \$680,158, is submitted for approval by the Commission to be refunded in the next period. The supporting data has been prepared in accordance with the uniform system of accounts and fairly presents the Company's purchased power capacity expenses for the period. Amounts spent by the Company for purchased power capacity are reasonable and prudent, and in the best long-term interests of Gulf's general body of ratepayers.

ESTIMATED PURCHASED POWER CAPACITY COST TRUE-UP

(6) Gulf has calculated its estimated purchased power capacity cost true-up amount for the period January 2009 through December 2009. Based on six months actual and six months projected data, the Company's estimated capacity cost true-up amount for the current period is an under recovery of \$1,787,568. The net estimated capacity cost true-up for the current period is combined with the net final capacity cost true-up for the period ending December 2008 to reach the total capacity cost true-up to be addressed in the factors for the next cost recovery period. The proposed capacity cost recovery factors reflect the collection of this total capacity cost true-up amount, \$1,107,410, during the period of January 2010 through December 2010.

PROJECTED PURCHASED POWER CAPACITY COST RECOVERY AMOUNTS

(7) Gulf has calculated its projected purchased power capacity cost recovery amounts for the months January 2010 through December 2010 in accordance with the procedures set out in Order No. 25773, Order No. PSC-93-0047-FOF-EI and Order No. PSC-99-2512-FOF-EI. The proposed factors reflect the recovery of the net capacity cost recovery amount of \$48,127,856 projected for the period January 2010 through December 2010.

The computations and supporting data for the Company's purchased power capacity cost recovery factors are set forth on Schedules CCE-1 (including CCE-1A and CCE-1B), CCE-2 and CCE-4 attached as part of the exhibit to the testimony of R. W. Dodd filed herewith. Additional supporting data for the purchased power capacity cost recovery factors is provided in the testimony and exhibit of H. R. Ball also filed herewith. The methodology used by Gulf in determining the amounts to include in these factors and the allocation to rate classes, based 12/13th on demand and 1/13th on energy, is in accordance with the requirements of the Commission as set forth in Order No. 25773. The amounts included in the factors for this projection period are based on reasonable projections of the capacity transactions that are expected to occur during the period January 2010 through December 2010. The proposed factors and supporting data have been prepared in accordance with the uniform system of accounts and fairly present the Company's best estimate of purchased power capacity costs for the projected period. Amounts projected by the Company for purchased power capacity are reasonable and prudent, and in the best long-term interests of Gulf's general body of ratepayers.

ESTIMATED AS-AVAILABLE AVOIDED ENERGY COSTS

(8) Pursuant to Order 13247 (entered May 1, 1984) in Docket No. 830377-EI and

Order No. 19548 (entered June 21, 1988) in Docket No. 880001-EI, Gulf has calculated estimates of as-available avoided energy costs for QF's in accordance with the procedures required in said orders. The resultant costs are attached to the testimony of R. W. Dodd as Schedule E-11 and by reference made a part hereof. Gulf Power requests that the Commission approve the estimates for these costs set forth on Schedule E-11.

GPIF TARGETS AND RANGES

(9) Gulf also seeks approval of the GPIF targets and ranges for the period January 2010 through December 2010 set forth below:

Unit	EAF	POF	EUOF	Heat Rate
Crist 4	89.4	8.2	2.4	10,837
Crist 5	96.3	0.0	3.7	10,777
Crist 6	92.5	0.0	7.5	10,910
Crist 7	87.6	0.0	12.4	10,656
Smith 1	95.8	0.0	4.2	10,300
Smith 2	89.9	6.3	3.8	10,345
Daniel 1	77.7	17.2	5.0	10,414
Daniel 2	87.8	5.8	6.4	10,231
EAF = Equivalent Availability Factor (%) POF = Planned Outage Factor (%) EUOF = Equivalent Unplanned Outage Factor (%)				

HEDGING ACTIVITIES AND SETTLEMENTS

(10) As demonstrated in Schedule 5 filed as part of Exhibit HRB-1 to the testimony of H.R. Ball on March 9, 2009 and the Hedging Information Report filed on August 14, 2009 and incorporated by reference as Exhibit HRB-3 to the testimony of H.R. Ball filed September 1, 2009, Gulf experienced a net loss of \$41,004,486 associated with its natural gas hedging transactions effected between August 1, 2008 and July 31, 2009. Pursuant to Order No. PSC-08-0316-PAA-EI, Gulf Power requests that the Commission find that its hedging transactions for the period August 1, 2008 through July 31, 2009 are prudent.

GULF POWER COMPANY'S RISK MANAGEMENT PLAN FOR FUEL

PROCUREMENT

(11) Gulf Power hereby requests that the Commission approve its Risk Management Plan for Fuel Procurement dated August 4, 2009.

PERDIDO LANDFILL GAS TO ENERGY FACILITY

~~(12) Through this Petition, and the testimony of H.R. Ball and R.W. Dodd filed September 1, 2009, Gulf seeks this Commission's determination that the costs of constructing and operating a landfill gas to energy facility at the Perdido Landfill in Escambia County, Florida are appropriate for recovery through the Fuel Cost Recovery Clause (the "Fuel Clause"). After submitting a winning bid in response to a Request for Proposals issued by Escambia County in July 2008, Gulf Power entered into a twenty-year agreement with Escambia County to purchase landfill gas necessary to fuel a 3.2 MW landfill gas to energy facility to be located adjacent to the Perdido Landfill. Gulf Power has sub-contracted with a third party to design, build and operate~~

~~the facility on Gulf Power's behalf. These agreements are contingent upon the Commission granting full cost recovery (outside of a base rate or limited proceeding) of all costs incurred by Gulf Power to construct and operate the facility. Gulf Power projects that this project will result in approximately \$23.5 million in fuel savings to Gulf's customers over its twenty-year life. This project will also provide fuel diversity benefits in the form of reduced dependence on coal and natural gas and reduce the volatility of Gulf Power's fuel costs. Finally, this project will provide a dedicated source of revenue for Escambia County in the form of payments for landfill gas consumed by Gulf Power.~~

~~Landfill gas is defined as a renewable energy resource pursuant to section 366.91(2), Florida Statutes. The Florida legislature has repeatedly recognized that it is in the public interest to promote the development of renewable energy resources in this state in order to, among other things, reduce dependence on natural gas, minimize volatility of fuel costs, encourage investment in the state and improve environmental conditions. See e.g., §§ 366.91(1); 366.92(1), Fla. Stat. This project furthers each of these stated policy objectives.~~

~~Additionally, this Commission has long sought to encourage innovative utility projects that reduce fuel costs to customers and further other public policy objectives by providing the ability for cost recovery through the Fuel Clause. In Docket No. 850001-EI-B, Order No. 14546 the Commission set forth its policy concerning the types of costs appropriately recovered through the Fuel Clause. In this Order, the Commission expressly retained the flexibility to allow for recovery through the Fuel Clause expenses normally recovered through base rates when the utility is in a position to take advantage of a cost-effective transaction, the costs of which were not recognized or anticipated in the level costs used to establish the utility's base rates. Id. at 3. In such cases, the Commission directed the utilities to "bring the matter before~~

the Commission at the first available fuel adjustment hearing and request cost recovery through the fuel adjustment clause on a case by case basis.” Id. Based on the policy articulated in Order No. 14546, the Commission has allowed the costs of a number of utility projects to be recovered through the Fuel Clause. See e.g., Order No. PSC 95-0450 FOF EI (allowing recovery of approximately \$2.7 million to upgrade FPL nuclear facilities); Order No. PSC 95-1089 FOF EI (allowing recovery by FPL of approximately \$24 million to purchase 462 high capacity aluminum rail cars); Order Nos. PSC 01-2516 FOF EI and PSC 02-1761 FOF EI (allowing recovery of approximately \$12.7 million to fund security facilities and operations at FPL nuclear facilities).

Gulf Power believes the Perdido Landfill project will promote renewable generation, provide fuel diversity benefits in the form of reduced dependence on coal and natural gas, reduce the volatility of Gulf Power’s fuel costs and produce fuel savings to its customers. The costs associated with this project were not recognized or anticipated in the level of costs used to establish Gulf Power’s current base rates. For these reasons, Gulf Power is seeking this Commission’s determination that the costs associated with constructing and operating this project are appropriate for recovery through the Fuel Clause. Actual recovery of Gulf Power’s project costs will be subject to a determination by the Commission that they are reasonable and prudent as they are incurred and subject to inclusion in the Fuel Clause.

As explained in the testimony of H.R. Ball, the capital investment in the project is approximately \$5 million. The total projected revenue requirement and fuel cost for the Perdido project for the 2010 recovery period is \$1,258,514 as calculated on Schedule 12 in Exhibit RWD-3 filed on September 1, 2009. Gulf Power is seeking approval to recover this amount through the Fuel Clause at this time.

FUEL COST RECOVERY FACTORS

(123) The proposed levelized fuel and purchased energy cost recovery factor, including GPIF and True-Up, herein requested is 5.3435-348 ¢/KWH. The proposed factors by rate schedule are:

Group	Rate Schedules*	Line Loss Multipliers	Fuel Cost Factors ¢/KWH		
			Standard	Time of Use	
				On-Peak	Off-Peak
A	RS, RSVP, GS, GSD, GSDT, GSTOU, SBS, OSIII	1.00526	<u>5.371</u> <u>5.376</u>	<u>5.873</u> <u>5.878</u>	<u>4.994</u> <u>4.998</u>
B	LP, LPT, SBS	0.98890	<u>5.284</u> <u>5.289</u>	<u>5.777</u> <u>5.782</u>	<u>4.913</u> <u>4.917</u>
C	PX, PXT, RTP, SBS	0.98063	<u>5.239</u> <u>5.244</u>	<u>5.729</u> <u>5.734</u>	<u>4.872</u> <u>4.876</u>
D	OSI/II	1.00529	<u>5.215</u> <u>5.219</u>	N/A	N/A

*The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

CAPACITY COST RECOVERY FACTORS

(134) The proposed purchased power capacity cost recovery factors by rate class herein requested, including true-up, are:

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RSVP	0.502
GS	0.460
GSD, GSDT, GSTOU	0.392
LP, LPT	0.339
PX, PXT, RTP, SBS	0.284
OS-I/II	0.118
OSIII	0.306

WHEREFORE, Gulf Power Company respectfully requests the Commission to approve the final fuel adjustment true-up for the period January 2008 through December 2008; the GPIF adjustment for the period January 2008 through December 2008; the estimated fuel cost true-up for the period January 2009 through December 2009; the projected fuel cost recovery amount for the period January 2010 through December 2010; the final purchased power capacity cost true-up amount for the period January 2008 through December 2008; the estimated purchased power capacity cost recovery true-up amount for the period January 2009 through December 2009; the projected purchased power capacity cost recovery amount for the period January 2010 through December 2010; the estimated as-available avoided energy costs for QF's; the GPIF targets and ranges for the period January 2010 through December 2010; the financial hedging activities and settlements for the period August 2008 through July 2009; Gulf Power Company's Risk Management Plan for Fuel Procurement; ~~costs associated with construction and operation of the Perdido Landfill Gas to Energy Facility;~~ the fuel cost recovery factors to be applied beginning with the period January 2010 through December 2010; and the capacity cost recovery factors to be applied beginning with the period January 2010 through December 2010.

Dated the 30th day of October, 2009.

/s/ Russell A. Badders

JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 007455

STEVEN R. GRIFFIN

Florida Bar No. 0627569

Beggs & Lane

P. O. Box 12950

Pensacola, FL 32591

(850) 432-2451

Attorneys for Gulf Power Company

ATTACHMENT B

(Revisions are identified by either red-line strikethrough or shading)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**FUEL AND PURCHASED POWER COST
RECOVERY CLAUSE**

Docket No. 090001-EI

**PREPARED DIRECT TESTIMONY
AND EXHIBIT OF**

RICHARD W. DODD

PROJECTION FILING FOR THE PERIOD

JANUARY 2010 – DECEMBER 2010

REVISED OCTOBER 30, 2009



1 GULF POWER COMPANY

2 Before the Florida Public Service Commission
3 Prepared Direct Testimony and Exhibit of
4 Richard W. Dodd
5 Docket No. 090001-EI
6 Date of Filing: October 30, 2009

7

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

9 A. My name is Richard Dodd. My business address is One Energy Place,
10 Pensacola, Florida 32520-0780. I am the Supervisor of Rates and Regulatory
11 Matters at Gulf Power Company.

12

13 Q. Please briefly describe your educational background and business experience.

14 A. I graduated from the University of West Florida in Pensacola, Florida in 1991
15 with a Bachelor of Arts Degree in Accounting. I also received a Bachelor of
16 Science Degree in Finance in 1998 from the University of West Florida. I
17 joined Gulf Power in 1987 as a Co-op Accountant and worked in various areas
18 until I joined the Rates and Regulatory Matters area in 1990. After spending
19 one year in the Financial Planning area, I transferred to Georgia Power
20 Company in 1994 where I worked in the Regulatory Accounting department
21 and in 1997 I transferred to Mississippi Power Company where I worked in the
22 Rate and Regulation Planning department for six years followed by one year in
23 Financial Planning. In 2004 I returned to Gulf Power Company working in the
24 General Accounting area as Internal Controls Coordinator.

25

1 In 2007 I was promoted to Internal Controls Supervisor and in July 2008, I
2 assumed my current position in the Rates and Regulatory Matters area.

3 My responsibilities include supervision of tariff administration, cost of
4 service activities, calculation of cost recovery factors, and the regulatory filing
5 function of the Rates and Regulatory Matters Department.

6
7 Q. Have you previously filed testimony before this Commission in this on-going
8 docket?

9 A. Yes.

10

11 Q. What is the purpose of your testimony?

12 A. The purpose of my testimony is to discuss the calculation of Gulf Power's fuel
13 cost recovery factors for the period January 2010 through December 2010. I
14 will also discuss the calculation of the purchased power capacity cost recovery
15 factors for the period January 2010 through December 2010.

16

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

19 A. Yes. My exhibit consists of 156 schedules, each of which was prepared under
20 my direction, supervision, or review.

21

22

23

24

25

Counsel: We ask that Mr. Dodd's exhibit
consisting of 156 schedules,
be marked as Exhibit No. _____(RWD-3).

1 Q. Mr. Dodd, what is the levelized projected fuel factor for the period January
2 2010 through December 2010?

3 A. Gulf has proposed a levelized fuel factor of 5.3435-348c/kwh. This factor is
4 based on projected fuel and purchased power energy expenses for January
5 2010 through December 2010 and projected kwh sales for the same period,
6 and includes the true-up and GPIF amounts.

7
8 Q. How does the levelized fuel factor for the projection period compare with the
9 levelized fuel factor for the current period?

10 A. The projected levelized fuel factor for 2010 is .385-380c/kwh less or 6.726-63
11 percent lower than the levelized fuel factor in place January 2009 through
12 December 2009.

13
14 Q. Please explain the calculation of the fuel and purchased power expense true-
15 up amount included in the levelized fuel factor for the period January 2010
16 through December 2010.

17 A. As shown on Schedule E-1A of my exhibit, the true-up amount of \$12,343,069
18 to be collected during 2010 includes an estimated over-recovery for the
19 January through December 2009 period of \$36,414,908, plus a final under-
20 recovery for the period January through December 2008 of \$48,757,977. The
21 estimated over-recovery for the January through December 2009 period
22 includes 6 months of actual data and 6 months of estimated data as reflected
23 on Schedule E-1B.

24
25

1 Q. What has been included in this filing to reflect the GPIF reward/penalty for the
2 period of January 2008 through December 2008?

3 A. The GPIF result is shown on Line 34 of Schedule E-1 as an increase of
4 .0010¢/kwh to the levelized fuel factor, thereby rewarding Gulf \$113,177.

5

6 Q. What is the appropriate revenue tax factor to be applied in calculating the
7 levelized fuel factor?

8 A. A revenue tax factor of 1.00072 has been applied to all jurisdictional fuel costs
9 as shown on Line 32 of Schedule E-1.

10

11 Q. Mr. Dodd, how were the line loss multipliers used on Schedule E-1E
12 calculated?

13 A. The line loss multipliers were calculated in accordance with procedures
14 approved in prior filings and were based on Gulf's latest mwh Load Flow
15 Allocators.

16

17 Q. Mr. Dodd, what fuel factor does Gulf propose for its largest group of customers
18 (Group A), those on Rate Schedules RS, GS, GSD, and OSIII?

19 A. Gulf proposes a standard fuel factor, adjusted for line losses, of 5.371
20 ~~5.376~~¢/kwh for Group A. Fuel factors for Groups A, B, C, and D are shown on
21 Schedule E-1E. These factors have all been adjusted for line losses.

22

23 Q. Mr. Dodd, how were the time-of-use fuel factors calculated?

24 A. The time-of-use fuel factors were calculated based on projected loads and
25 system lambdas for the period January 2010 through December 2010. These

1 factors included the GPIF and true-up and were adjusted for line losses.

2 These time-of-use fuel factors are also shown on Schedule E-1E.

3

4 Q. How does the proposed fuel factor for Rate Schedule RS compare with the
5 factor applicable to December 2009 and how would the change affect the cost
6 of 1,000 kwh on Gulf's residential rate RS?

7 A. The current fuel factor for Rate Schedule RS applicable through December
8 2009 is 5.758¢/kwh compared with the proposed factor of 5.3715-376¢/kwh.
9 For a residential customer who uses 1,000 kwh in January 2010, the fuel
10 portion of the bill would decrease from \$57.58 to \$53.7153-76.

11

12 ~~Q. What amount of cost associated with the Perdido Landfill Gas to Energy~~
13 ~~Project is included in the projected 2010 fuel costs used to derive the~~
14 ~~proposed 2010 fuel factors?~~

15 ~~A. As calculated on Schedule 12 of my Exhibit RWD 3, \$1,258,514 has been~~
16 ~~included as recoverable cost for this project. This amount is included on~~
17 ~~Schedule E-1, line 4. The monthly amounts are presented on Schedule E-2,~~
18 ~~line 1b and Schedule E-4, line 17.~~

19

20 Q. Has Gulf updated its estimates of the as-available avoided energy costs to be
21 shown on COG1 as required by Order No. 13247 issued May 1, 1984, in
22 Docket No. 830377-EI and Order No. 19548 issued June 21, 1988, in Docket
23 No. 880001-EI?

24

25

1 A. Yes. A tabulation of these costs is set forth in Schedule E-11 of my exhibit.
2 These costs represent the estimated averages for the period from January
3 2010 through December 2010.

4
5 Q. What amount have you calculated to be the appropriate benchmark level for
6 calendar year 2010 gains on non-separated wholesale energy sales eligible
7 for a shareholder incentive?

8 A. In accordance with Order No. PSC-00-1744-AAA-EI, a benchmark level of
9 \$1,542,406 has been calculated for 2010 as follows:

10	2007 actual gains	2,599,491
11	2008 actual gains	1,228,671
12	2009 estimated gains	<u>799,057</u>
13	Three-Year Average	<u>\$1,542,406</u>

14 This amount represents the minimum projected threshold for 2010 that must
15 be achieved before shareholders may receive any incentive. As demonstrated
16 on Schedule E-6, page 2 of 2, Gulf's projection reflects a credit to customers
17 of 100 percent of the gains on non-separated sales for 2010 for the months of
18 January through December.

19

20 Q. You stated earlier that you are responsible for the calculation of the purchased
21 power capacity cost (PPCC) recovery factors. Which schedules of your exhibit
22 relate to the calculation of these factors?

23 A. Schedule CCE-1, including CCE-1A and CCE-1B, Schedule CCE-2, and
24 Schedule CCE-4 of my exhibit relate to the calculation of the PPCC recovery
25 factors for the period January 2010 through December 2010.

1 Q. Please describe Schedule CCE-1 of your exhibit.

2 A. Schedule CCE-1 shows the calculation of the amount of capacity payments to
3 be recovered through the PPCC Recovery Clause. Mr. Ball has provided me
4 with Gulf's projected purchased power capacity transactions. Gulf's total
5 projected net capacity expense, which includes a credit for transmission
6 revenue, for the period January 2010 through December 2010 is \$48,729,557.
7 The jurisdictional amount is \$46,985,819. This amount is added to the total
8 true-up amount to determine the total purchased power capacity transactions
9 that would be recovered in the period.

10

11 Q. What methodology was used to allocate the capacity payments by rate class?

12 A. As required by Commission Order No. 25773 in Docket No. 910794-EQ, the
13 revenue requirements have been allocated using the cost of service
14 methodology used in Gulf's last rate case and approved by the Commission in
15 Order No. PSC-02-0787-FOF-EI issued June 10, 2002, in Docket No. 010949-
16 EI. For purposes of the PPCC Recovery Clause, Gulf has allocated the net
17 purchased power capacity costs by rate class with 12/13th on demand and
18 1/13th on energy. This allocation is consistent with the treatment accorded to
19 production plant in the cost of service study used in Gulf's last rate case.

20

21 Q. How were the allocation factors calculated for use in the PPCC Recovery
22 Clause?

23 A. The allocation factors used in the PPCC Recovery Clause have been
24 calculated using the 2006 load data filed with the Commission in accordance

1 with FPSC Rule 25-6.0437. The calculations of the allocation factors are
2 shown in columns A through I on page 1 of Schedule CCE-2.

3

4 Q. Please describe the calculation of the cents/kwh factors by rate class used to
5 recover purchased power capacity costs.

6 A. As shown in columns A through D on page 2 of Schedule CCE-2, 12/13th of
7 the jurisdictional capacity cost to be recovered is allocated by rate class based
8 on the demand allocator. The remaining 1/13th is allocated based on energy.
9 The total revenue requirement assigned to each rate class shown in column E
10 is then divided by that class's projected kwh sales for the twelve-month period
11 to calculate the PPCC recovery factor. This factor would be applied to each
12 customer's total kwh to calculate the amount to be billed each month.

13

14 Q. What is the amount related to purchased power capacity costs recovered
15 through this factor that will be included on a residential customer's bill for
16 1,000 kwh?

17 A. The purchased power capacity costs recovered through the clause for a
18 residential customer who uses 1,000 kwh will be \$5.02.

19

20 Q. When does Gulf propose to collect these new fuel charges and purchased
21 power capacity charges?

22 A. The fuel and capacity factors will be effective beginning with Cycle 1 billings in
23 January 2010 and continuing through the last billing cycle of December 2010.

24 Q. Mr. Dodd, does this conclude your testimony?

25 A. Yes.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 090001-EI

Before me the undersigned authority, personally appeared Richard W. Dodd, who being first duly sworn, deposes, and says that he is the Supervisor of Rates & Regulatory Matters of 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.



R. W. Dodd
Rates & Regulatory Matters Supervisor

Sworn to and subscribed before me
this 31st day of August, 2009



Candace H. Klinglesmith
Notary Public, State of Florida at Large

(SEAL)



SCHEDULE E-1

**FUEL AND PURCHASED POWER
 COST RECOVERY CLAUSE CALCULATION
 GULF POWER COMPANY
 PROPOSED FOR THE PERIOD: JANUARY 2010 - DECEMBER 2010**

Line			(a) \$	(b) KWH	(c) ¢ / KWH
1	Fuel Cost of System Net Generation	E-3	670,236,689	13,979,791,000	4.7943
2	Coal Car Investment				
3	Other Generation	E-3	5,841,400	112,551,000	5.1900
4	Powerde Landfill	E-3	0	0	
5	Hedging Settlement	E-2			
6	Total Cost of Generated Power	(Line 1 - 5)	676,078,089	14,092,342,000	4.7975
7	Fuel Cost of Purchased Power (Exclusive of Economy)	E-7			
8	Energy Cost of Schedule C & X Econ. Purch.	E-9			
9	Energy Cost of Other Econ. Purch. (Nonbroker)	E-9	49,710,000	1,207,501,000	4.1168
10	Energy Cost of Schedule E Economy Purch.	E-9			
11	PPA Energy Savings	E-9	(13,000,000)	0	N/A
12	Capacity Cost of Schedule E Economy Purchases	E-2			
13	Energy Payments to Qualifying Facilities	E-8			
14	Total Cost of Purchased Power	(Line 7 - 13)	36,710,000	1,207,501,000	3.0402
15	Total Available KWH	(Line 6 + 14)		15,299,843,000	
16	Fuel Cost of Economy Sales	E-6	(2,399,000)	(60,199,000)	3.9851
17	Gain on Economy Sales	E-6	(287,000)	0	N/A
18	Fuel Cost of Unit Power Sales / Separated Sales	E-6	(46,468,000)	(1,504,414,000)	3.0888
19	Fuel Cost of Other Power Sales	E-6	(55,790,000)	(1,365,947,000)	4.0843
20	Total Fuel Cost & Gains on Power Sales	(Line 16 -19)	(104,944,000)	(2,930,560,000)	3.5810
21	Net Inadvertant Interchange				
22	Total Fuel & Net Power Trans.	(Line 6+14+20+21)	607,844,089	12,369,283,000	4.9141
23	Net Unbilled Sales *				
24	Company Use *		937,070	19,069,000	4.9141
25	T & D Losses *		35,228,348	716,883,000	4.9141
26	System KWH Sales		607,844,089	11,633,331,000	5.2250
27	Wholesale KWH Sales		20,519,254	392,713,000	5.2250
28	Jurisdictional KWH Sales		587,324,835	11,240,618,000	5.2250
28a	Jurisdictional Line Loss Multiplier		1.0007		1.0007
29	Jurisdictional KWH Sales Adjusted for Line Losses		587,735,963	11,240,618,000	5.2287
30	True-Up **		12,343,069	11,240,618,000	0.1098
31	Total Jurisdictional Fuel Cost		600,079,032	11,240,618,000	5.3385
32	Revenue Tax Factor				1.00072
33	Fuel Factor Adjusted For Revenue Taxes		600,511,089	11,240,618,000	5.3423
34	GPIF Reward/(Penalty) **		113,177	11,240,618,000	0.0010
35	Fuel Factor Adjusted for GPIF		600,624,266	11,240,618,000	5.3433
36	Fuel Factor Rounded to Nearest .001(¢ / KWH)				5.343

*For informational purposes only

** Calculation Based on Jurisdictional KWH Sales

SCHEDULE E-1A

**FUEL COST RECOVERY CLAUSE
CALCULATION OF TRUE-UP
GULF POWER COMPANY
TO BE INCLUDED IN THE PERIOD: JANUARY 2010 - DECEMBER 2010**

1.	Estimated over/(under)-recovery, JANUARY - DECEMBER 2009 (Sch. E-1B, page 2, line C9)	\$36,414,908
2.	Final over/(under)-recovery JANUARY - DECEMBER 2008 (EXHIBIT No.____(RWD-1) Schedule 1, line 3)	<u>(48,757,977)</u>
3.	Total over/(under)-recovery (Lines 1 + 1A + 2) To be included in JANUARY 2010 - DECEMBER 2010 (Schedule E1, Line 30)	<u><u>(\$12,343,069)</u></u>
4.	Jurisdictional KWH sales FOR THE PERIOD: JANUARY - DECEMBER 2010	<u>11,240,618,000</u>
5.	True-up Factor (Line 3 / Line 4) x 100 (¢ / KWH)	<u><u>0.1098</u></u>

**CALCULATION OF ESTIMATED TRUE-UP
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2009 - JUNE 2009 / ESTIMATED FOR JULY 2009 - DECEMBER 2009**

	JANUARY ACTUAL	FEBRUARY ACTUAL	MARCH ACTUAL	APRIL ACTUAL	MAY ACTUAL	JUNE ACTUAL	TOTAL SIX MONTHS
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
A 1 Fuel Cost of System Generation	38,807,601.18	30,213,099.12	32,110,511.86	40,821,730.81	47,999,708.94	44,780,283.70	\$234,732,935.61
1a Fuel Cost of Hedging Settlement	3,803,955.00	4,173,375.00	3,233,845.00	4,448,560.00	3,920,849.00	5,652,830.00	25,233,414.00
2 Fuel Cost of Power Sold	(5,383,517.54)	(3,548,358.20)	(3,316,500.35)	(7,435,302.51)	(5,945,289.74)	(3,570,991.69)	(29,199,960.03)
3 Fuel Cost of Purchased Power	4,441,832.08	7,623,480.57	3,817,197.79	1,487,485.68	2,145,378.31	9,275,775.32	28,791,149.75
3a Demand & Non-Fuel Cost Of Purchased Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3b Energy Payments to Qualified Facilities	470,949.00	524,577.00	604,589.00	291,315.00	16,017.00	362,096.00	2,269,543.00
4 Energy Cost of Economy Purchases	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5 Other Generation	201,574.82	195,677.39	160,783.13	176,952.13	232,004.58	271,350.72	1,238,342.77
6 Adjustments to Fuel Cost *	67,726.12	53,326.61	35,416.10	28,692.12	58,560.22	1,867.98	245,589.15
7 TOTAL FUEL & NET POWER TRANSACTIONS (Sum of Lines A1 Thru A6)	\$42,410,120.66	\$39,235,177.49	\$36,645,842.53	\$39,819,433.23	\$48,427,228.31	\$56,773,212.03	\$263,311,014.25
B 1 Jurisdictional KWH Sales	840,942,442	748,132,497	754,313,308	778,555,716	925,257,949	1,174,340,944	5,221,542,856
2 Non-Jurisdictional KWH Sales	31,682,137	27,827,610	26,339,621	25,396,931	30,492,922	37,935,600	179,674,821
3 TOTAL SALES (Lines B1 + B2)	872,624,579	775,960,107	780,652,929	803,952,647	955,750,871	1,212,276,544	5,401,217,677
4 Jurisdictional % Of Total Sales (Line B1/B3)	<u>96.3693%</u>	<u>96.4138%</u>	<u>96.6259%</u>	<u>96.8410%</u>	<u>96.8095%</u>	<u>96.8707%</u>	
C 1 Jurisdictional Fuel Recovery Revenue (Net of Revenue Taxes) (1)	\$48,077,504.05	\$42,818,981.87	\$43,124,951.34	\$44,528,871.28	\$52,938,340.31	\$67,312,519.45	\$298,801,168.30
2 True-Up Provision	(3,997,794.08)	(3,997,794.08)	(3,997,794.08)	(3,997,794.08)	(3,997,794.08)	(3,997,794.08)	(23,986,764.48)
2a Incentive Provision	36,114.41	36,114.41	36,114.41	36,114.41	36,114.41	36,114.41	216,686.46
3 FUEL REVENUE APPLICABLE TO PERIOD (Sum of Lines C1 Thru C2a)	\$44,115,824.38	\$38,857,302.20	\$39,163,271.67	\$40,567,191.61	\$48,976,660.64	\$63,350,839.78	\$275,031,090.28
4 Fuel & Net Power Transactions (Line A7)	\$42,410,120.66	\$39,235,177.49	\$36,645,842.53	\$39,819,433.23	\$48,427,228.31	\$56,773,212.03	\$263,311,014.25
5 Jurisdictional Fuel Cost Adj. for Line Losses (Line A7 x Line B4 x 1.0007)	40,898,945.64	37,854,605.24	35,434,161.72	38,588,530.41	46,914,975.10	55,035,105.53	\$254,726,323.64
6 Over/(Under) Recovery (Line C3-C5)	3,216,878.74	1,002,696.96	3,729,109.95	1,978,661.20	2,061,685.54	8,315,734.25	\$20,304,766.64
7 Interest Provision (2)	(51,590.79)	(55,897.77)	(43,772.13)	(29,285.18)	(19,845.43)	(15,934.02)	(\$216,325.32)
8 Adjustments	0	0	0	0	0	0	\$0.00
9 TOTAL ESTIMATED TRUE-UP FOR THE PERIOD JANUARY 2009 - JUNE 2009							<u>\$20,088,441.32</u>

* (Gain)/Loss on sales of natural gas and costs of contract dispute litigation.

Note 1: Revenues for January through December based on the current approved 2009 Fuel Factor excluding revenue taxes of

5.7239 ¢/KWH

Note 2: Interest Calculated for July through December at June 2009 monthly rate of

0.0292%

**CALCULATION OF ESTIMATED TRUE-UP
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2009 - JUNE 2009 / ESTIMATED FOR JULY 2009 - DECEMBER 2009**

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	PERIOD
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
A 1 Fuel Cost of System Generation	57,548,957.00	57,913,805.00	54,215,861.00	43,916,756.00	46,515,775.00	57,839,963.00	\$552,784,052.61
1a Fuel Cost of Hedging Settlement	6,493,000.00	4,172,000.00	2,479,000.00	2,649,000.00	2,267,000.00	1,564,000.00	\$44,857,414.00
2 Fuel Cost of Power Sold	(10,573,000.00)	(10,594,000.00)	(10,703,000.00)	(8,862,000.00)	(11,043,000.00)	(12,182,000.00)	(\$93,156,960.03)
3 Fuel Cost of Purchased Power	5,918,000.00	5,400,000.00	4,418,000.00	3,785,000.00	1,891,000.00	1,879,000.00	\$52,082,149.75
3a Demand & Non-Fuel Cost Of Purchased Power	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00
3b Energy Payments to Qualified Facilities	0.00	0.00	0.00	0.00	0.00	0.00	\$2,269,543.00
4 Energy Cost of Economy Purchases	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00
5 Other Generation	427,756.00	427,756.00	413,996.00	481,225.00	465,745.00	534,695.00	\$3,989,515.77
6 Adjustments to Fuel Cost *	0.00	0.00	0.00	0.00	0.00	0.00	\$245,589.15
7 TOTAL FUEL & NET POWER TRANSACTIONS (Sum of Lines A1 Thru A6)	\$59,814,713.00	\$57,319,561.00	\$50,823,857.00	\$41,969,981.00	\$40,196,520.00	\$49,635,658.00	\$563,071,304.25
B 1 Jurisdictional KWH Sales	1,155,743,000	1,152,972,000	988,922,000	849,588,000	750,196,000	867,182,000	10,986,145,856
2 Non-Jurisdictional KWH Sales	38,430,000	39,237,000	33,510,000	30,314,000	28,125,000	32,132,000	381,422,821
3 TOTAL SALES (Lines B1 + B2)	1,194,173,000	1,192,209,000	1,022,432,000	879,902,000	778,321,000	899,314,000	11,367,568,677
4 Jurisdictional % Of Total Sales (Line B1/B3)	96.7819%	96.7089%	96.7225%	96.5548%	96.3865%	96.4271%	
C 1 Jurisdictional Fuel Recovery Revenue (Net of Revenue Taxes) (1)	\$66,153,573.58	\$65,994,964.31	\$56,604,906.36	\$48,629,567.53	\$42,940,468.84	\$49,636,630.50	\$628,761,279.42
2 True-Up Provision	(3,997,794.08)	(3,997,794.08)	(3,997,794.08)	(3,997,794.08)	(3,997,794.08)	(3,997,794.12)	(\$47,973,529.00)
2a Incentive Provision	36,114.41	36,114.41	36,114.41	36,114.41	36,114.41	36,114.46	\$433,372.97
3 FUEL REVENUE APPLICABLE TO PERIOD (Sum of Lines C1 Thru C2a)	\$62,191,893.91	\$62,033,284.64	\$52,643,226.69	\$44,667,887.86	\$38,978,789.17	\$45,674,950.84	\$581,221,123.39
4 Fuel & Net Power Transactions (Line A7)	\$59,814,713.00	\$57,319,561.00	\$50,823,857.00	\$41,969,981.00	\$40,196,520.00	\$49,635,658.00	\$563,071,304.25
5 Jurisdictional Fuel Cost Adj. for Line Losses (Line A7 x Line B4 x 1.0007)	57,930,338.59	55,471,920.11	48,192,515.76	40,552,398.04	38,771,139.56	47,895,729.13	\$544,540,364.83
6 Over/(Under) Recovery (Line C3-C5)	4,261,555.32	6,561,364.53	3,450,710.93	4,115,489.82	207,649.61	(2,220,778.29)	\$36,680,758.56
7 Interest Provision (2)	(14,169.78)	(11,426.41)	(8,800.83)	(6,531.18)	(4,734.55)	(3,862.49)	(\$265,850.36)
8 Adjustments	0	0	0	0	0	0	\$0.00
9 TOTAL ESTIMATED TRUE-UP FOR THE PERIOD JANUARY 2009 - DECEMBER 2009							\$36,414,908.20

* (Gain)/Loss on sales of natural gas and costs of contract dispute litigation.

Note 1: Revenues for January through December based on the current approved 2009 Fuel Factor excluding revenue taxes of 5.7239 ¢/KWH

Note 2: Interest Calculated for July through December at June 2009 monthly rate of 0.0292%

**COMPARISON OF ESTIMATED/ACTUAL VERSUS ORIGINAL PROJECTIONS
OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2009 - JUNE 2009 / ESTIMATED FOR JULY 2009 - DECEMBER 2009**

	DOLLARS				KWH				¢/KWH			
	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMT.	%
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1 Fuel Cost of System Net Generation	552,784,053	812,208,413	(259,424,360)	(31.94)	13,765,691,600	16,213,300,000	(2,447,608,400)	(15.10)	4.0157	5.0095	(0.9938)	(19.84)
1a Fuel Cost of Hedging Settlement	44,857,414	0	44,857,414	100.00	0	0	0	0.00	#N/A	0.0000	#N/A	#N/A
2 Hedging Support Costs	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
3 Coal Car Investment	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
4 Other Generation	3,989,516	6,322,495	(2,332,979)	(36.90)	80,022,500	112,540,000	(32,517,500)	(28.89)	4.9855	5.6180	(0.6325)	(11.26)
5 Adjustments to Fuel Cost ***	245,589	0	245,589	100.00								
6 TOTAL COST OF GENERATED POWER	601,876,572	818,530,908	(216,654,336)	(26.47)	13,845,714,100	16,325,840,000	(2,480,125,900)	(15.19)	4.3470	5.0137	(0.6667)	(13.30)
7 Fuel Cost of Purchased Power (Exclusive of Economy)	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
8 Energy Cost of Schedule C&X Econ. Purchases (Broker)	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
9 Energy Cost of Other Economy Purchases (Nonbroker)	52,082,150	98,871,000	(46,788,850)	(47.32)	1,688,697,302	1,131,523,000	557,174,302	49.24	3.0842	8.7379	(5.6537)	(64.70)
10 Energy Cost of Schedule E Economy Purchases	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
11 Capacity Cost of Schedule E Economy Purchases	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
12 Energy Payments to Qualifying Facilities	2,269,543	0	2,269,543	100.00	39,719,000	0	39,719,000	100.00	5.7140	0.0000	5.7140	100.00
13 TOTAL COST OF PURCHASED POWER	54,351,693	98,871,000	(44,519,307)	(45.03)	1,728,416,302	1,131,523,000	596,893,302	52.75	3.1446	8.7379	(5.5933)	(64.01)
14 Total Available KWH (Line 6 + Line 13)	656,228,264	917,401,908	(261,173,644)	(28.47)	15,574,130,402	17,457,363,000	(1,883,232,598)	(10.79)				
15 Fuel Cost of Economy Sales	(2,907,382)	(21,688,000)	18,780,618	(86.59)	(67,180,491)	(266,600,000)	199,419,509	(74.80)	4.3277	8.1350	(3.8073)	(46.80)
16 Gain on Economy Sales	(799,057)	(2,321,000)	1,521,943	(65.57)	0	0	0	0.00	#N/A	#N/A	#N/A	#N/A
17 Fuel Cost of Unit Power Sales	(34,613,729)	(50,109,000)	15,495,271	(30.92)	(1,515,473,172)	(1,644,994,000)	129,520,828	(7.87)	2.2840	3.0462	(0.7622)	(25.02)
18 Fuel Cost of Other Power Sales	(54,836,797)	(185,115,000)	130,278,203	(70.38)	(1,909,595,671)	(2,388,917,000)	479,321,329	(20.06)	2.8716	7.7489	(4.8773)	(62.94)
19 TOTAL FUEL COST AND GAINS ON POWER SALES (LINES 15+16+17+18)	(93,156,965)	(259,233,000)	166,076,035	(64.06)	(3,492,249,334)	(4,300,511,000)	808,261,666	(18.79)	2.6675	6.0280	(3.3605)	(55.75)
20 Net Inadvertent Interchange	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
21 TOTAL FUEL & NET POWER TRANSACTIONS (LINES 6+13+19+20)	563,071,299	658,168,908	(95,097,609)	(14.45)	12,081,881,068	13,156,852,000	(1,074,970,932)	(8.17)	4.6605	5.0025	(0.3420)	(6.84)
22 Net Unbilled Sales	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
23 Company Use *	975,031	1,243,071	(268,040)	(21.56)	20,921,163	24,849,000	(3,927,836)	(15.81)	4.6605	5.0025	(0.3420)	(6.84)
24 T & D Losses *	32,315,494	38,194,738	(5,879,244)	(15.39)	693,391,129	763,513,000	(70,121,872)	(9.18)	4.6605	5.0025	(0.3420)	(6.84)
25 TERRITORIAL (SYSTEM) SALES	563,071,299	658,168,908	(95,097,609)	(14.45)	11,367,568,777	12,368,490,000	(1,000,921,223)	(8.09)	4.9533	5.3213	(0.3680)	(6.92)
26 Wholesale Sales	18,911,846	22,984,344	(4,072,498)	(17.72)	381,422,821	431,931,000	(50,508,179)	(11.69)	4.9582	5.3213	(0.3631)	(6.82)
27 Jurisdictional Sales	544,159,453	635,184,564	(91,025,111)	(14.33)	10,986,145,956	11,936,559,000	(950,413,044)	(7.96)	4.9531	5.3213	(0.3682)	(6.92)
27a Jurisdictional Loss Multiplier	1.0007	1.0007										
28 Jurisdictional Sales Adj. for Line Losses (Line 27 x 1.0007)	544,540,365	635,629,193	(91,088,828)	(14.33)	10,986,145,956	11,936,559,000	(950,413,044)	(7.96)	4.9566	5.3251	(0.3685)	(6.92)
29 TRUE-UP **	47,973,529	47,973,529	0	0.00	10,986,145,956	11,936,559,000	(950,413,044)	(7.96)	0.4367	0.4019	0.0348	8.66
30 TOTAL JURISDICTIONAL FUEL COST	592,513,894	683,602,722	(91,088,828)	(13.32)	10,986,145,956	11,936,559,000	(950,413,044)	(7.96)	5.3933	5.7270	(0.3337)	(5.83)
31 Revenue Tax Factor									1.00072	1.00072		
32 Fuel Factor Adjusted for Revenue Taxes									5.3972	5.7311	(0.3339)	(5.83)
33 GPIF Reward / (Penalty) **	(433,685)	(433,685)	0	0.00	10,986,145,956	11,936,559,000	(950,413,044)	(7.96)	(0.0039)	(0.0036)	(0.0003)	(8.33)
34 Fuel Factor Adjusted for GPIF Reward / (Penalty)									5.3933	5.7275	(0.3342)	(5.84)
35 FUEL FACTOR ROUNDED TO NEAREST .001(CENTS/KWH)									5.3930	5.7280	(0.3350)	(5.85)

* Included for Informational Purposes Only

** ¢/KWH Calculation Based on Jurisdictional KWH Sales

*** (Gain)/Loss on sales of natural gas and costs of contract dispute litigation.

Note: Amounts included in the Estimated/Actual Column represent 6 months actual and 6 months estimate.

SCHEDULE E-1C

CALCULATION OF GENERATING PERFORMANCE INCENTIVE FACTOR AND TRUE-UP FACTOR GULF POWER COMPANY TO BE INCLUDED IN THE PERIOD: JANUARY 2010 - DECEMBER 2010

1. TOTAL AMOUNT OF ADJUSTMENTS:		
A. Generating Performance Incentive Reward/(Penalty)	\$	113,177
B. True-Up (Over)/Under Recovered	\$	12,343,069
2. Jurisdictional KWH sales FOR THE PERIOD: JANUARY - DECEMBER 2010		11,240,618,000
3. ADJUSTMENT FACTORS:		
A. Generating Performance Incentive Factor		0.0010
B. True-Up Factor		0.1098

SCHEDULE E-1D

**DETERMINATION OF FUEL RECOVERY FACTOR
 TIME OF USE RATE SCHEDULES
 GULF POWER COMPANY
 PROPOSED FOR THE PERIOD: JANUARY 2010 - DECEMBER 2010**

		<u>NET ENERGY FOR LOAD</u>	
		%	
	On-Peak	42.95	
	Off-Peak	57.05	
		<u>100.00</u>	
	<u>AVERAGE</u>	<u>ON-PEAK</u>	<u>OFF-PEAK</u>
Cost per KWH Sold	5.2250	5.7281	4.8501
Jurisdictional Loss Factor	1.0007	1.0007	1.0007
Jurisdictional Fuel Factor	5.2287	5.7271	4.8535
GPIF	0.0010	0.0010	0.0010
True-Up	0.1098	0.1098	0.1098
TOTAL	5.3395	5.8379	4.9643
Revenue Tax Factor	1.00072	1.00072	1.00072
Recovery Factor	5.3433	5.8421	4.9679
Recovery Factor Rounded to the Nearest .001 ¢/KWH	5.343	5.842	4.968
	HOURS:		
	ON-PEAK	25.18%	
	OFF-PEAK	74.82%	
		<u>100.00%</u>	

SCHEDULE E-1E

**FUEL RECOVERY FACTORS - BY RATE GROUP
 (ADJUSTED FOR LINE/TRANSFORMATION LOSSES)
 GULF POWER COMPANY
 PROPOSED FOR THE PERIOD: JANUARY 2010 - DECEMBER 2010**

<u>Group</u>	<u>Rate Schedules</u>	<u>Average Factor</u>	<u>Fuel Recovery Loss Multipliers</u>	<u>Standard Fuel Recovery Factor</u>
A	RS, RSVP, GS, GSD, GSDT, GSTOU, OSIII, SBS (1)	5.343	1.00526	5.371
B	LP, LPT, SBS (2)	5.343	0.98890	5.284
C	PX, PXT, RTP, SBS (3)	5.343	0.98063	5.239
D	OS-I/II	5.343	1.00529	5.215 *

		TOU
A	On-Peak	5.873
	Off-Peak	4.994
B	On-Peak	5.777
	Off-Peak	4.913
C	On-Peak	5.729
	Off-Peak	4.872
D	On-Peak	N/A
	Off-Peak	N/A

Group D Calculation

* D	On-Peak	5.842	¢ / KWH	x	0.2518	=	1.471	¢ / KWH
	Off-Peak	4.968	¢ / KWH	x	0.7482	=	3.717	¢ / KWH
							5.188	¢ / KWH
					Line Loss Multiplier	x	1.00529	
							5.215	¢ / KWH

- (1) Includes SBS customers with a Contract Demand in the range of 100 to 499 KW
- (2) Includes SBS customers with a Contract Demand in the range of 500 to 7,499 KW
- (3) Includes SBS customers with a Contract Demand over 7,499 KW

**FUEL AND PURCHASED POWER COST RECOVERY CLAUSE CALCULATION
GULF POWER COMPANY
ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010**

LINE	LINE DESCRIPTION	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
	\$													
1	Fuel Cost of System Generation	46,661,432	42,937,522	49,303,217	54,520,110	60,229,366	61,189,302	66,657,887	66,849,632	60,451,006	61,206,053	49,140,151	51,091,012	670,236,689
1a	Other Generation	558,828	502,811	600,991	484,850	500,991	430,978	445,302	445,302	430,978	500,991	484,850	556,828	5,841,400
1b	Reactive Load	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Fuel Cost of Power Sold	(6,619,000)	(7,660,000)	(9,578,000)	(10,122,000)	(9,365,000)	(8,508,000)	(9,379,000)	(9,183,000)	(8,676,000)	(10,871,000)	(7,899,000)	(7,084,000)	(104,944,000)
3	Fuel Cost of Purchased Power	6,321,000	2,008,000	2,385,000	444,000	885,000	3,826,000	5,430,000	5,319,000	3,418,000	829,000	2,325,000	3,520,000	36,710,000
3a	Demand & Non-Fuel Cost of Pur Power	0	0	0	0	0	0	0	0	0	0	0	0	0
3b	Qualifying Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Energy Cost of Economy Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Hedging Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Total Fuel & Net Power Trans. (Sum of Lines 1 - 5)	46,920,080	37,788,433	42,611,206	45,336,960	62,250,357	56,938,280	63,154,189	63,430,934	55,623,984	51,665,044	44,051,001	48,083,640	607,844,089
7	System KWH Sold	962,106,000	825,122,000	839,353,000	847,798,000	1,006,814,000	1,104,195,000	1,198,422,000	1,206,014,000	1,031,090,000	893,848,000	804,794,000	913,775,000	11,633,331,000
7a	Jurisdictional % of Total Sales	96.4694	96.5474	96.5266	96.7406	96.7445	96.7402	96.7506	96.7048	96.7034	96.5534	96.4464	96.4303	96.6242
8	Cost per KWH Sold (¢/KWH)	4.8768	4.5797	5.0767	5.3464	5.1897	5.1565	5.2698	5.2596	5.3947	5.7801	5.4736	5.2621	5.2250
8a	Jurisdictional Loss Multiplier	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007
8b	Jurisdictional Cost (¢/KWH)	4.8802	4.5829	5.0803	5.3501	5.1933	5.1601	5.2735	5.2633	5.3985	5.7841	5.4774	5.2658	5.2287
9	GPIF (¢/KWH) *	0.0010	0.0012	0.0012	0.0011	0.0010	0.0009	0.0008	0.0008	0.0009	0.0011	0.0012	0.0011	0.0010
10	True-Up (¢/KWH) *	0.1108	0.1291	0.1270	0.1254	0.1056	0.0963	0.0887	0.0882	0.1032	0.1192	0.1325	0.1167	0.1098
11	TOTAL	4.9920	4.7132	5.2085	5.4766	5.2999	5.2573	5.3630	5.3523	5.5026	5.9044	5.6111	5.3336	5.3395
12	Revenue Tax Factor	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072
13	Recovery Factor Adjusted for Taxes	4.9956	4.7168	5.2123	5.4805	5.3037	5.2611	5.3669	5.3562	5.5068	5.9067	5.6151	5.3875	5.3433
14	Recovery Factor Rounded to the Nearest .001 ¢/KWH	4.996	4.717	5.212	5.481	5.304	5.261	5.367	5.356	5.507	5.906	5.615	5.388	5.343

* CALCULATIONS BASED ON JURISDICTIONAL KWH SALES

GENERATING SYSTEM COMPARATIVE DATA BY FUEL TYPE
GULF POWER COMPANY
ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
FUEL COST - NET GEN. (\$)													
1 LIGHTER OIL (B.L.)	26,358	23,105	25,229	49,576	26,007	33,895	25,001	22,605	29,801	27,749	23,981	28,435	341,742
2 COAL excluding Scherer	42,386,514	36,629,623	38,469,888	40,713,804	46,149,946	48,810,028	52,931,035	54,634,040	50,770,260	52,796,591	44,029,026	46,435,351	554,756,105
3 COAL at Scherer	3,175,756	2,887,551	3,179,267	2,975,415	3,213,863	3,107,664	3,235,783	3,195,930	1,771,939	0	0	1,997,159	28,740,327
4 GAS - Generation	1,629,432	3,900,154	8,129,824	11,266,185	11,340,541	9,868,693	10,911,370	9,442,359	6,308,984	8,882,704	5,571,894	3,186,895	92,239,915
5 GAS (B.L.)	0	0	0	0	0	0	0	0	0	0	0	0	0
6 LANDFILL GAS	0	0	0	0	0	0	0	0	0	0	0	0	0
7 OIL - C.T.	0	0	0	0	0	0	0	0	0	0	0	0	0
8 TOTAL (\$)	47,218,060	43,440,433	49,804,208	55,004,960	60,730,357	61,620,280	67,103,189	67,294,934	60,881,984	61,707,044	49,625,001	51,647,640	676,076,089
SYSTEM NET GEN. (MWH)													
9 LIGHTER OIL (B.L.)	0	0	0	0	0	0	0	0	0	0	0	0	0
10 COAL excluding Scherer	921,040	819,726	804,719	833,491	955,187	977,520	1,049,843	1,068,675	998,903	1,034,466	868,562	910,482	11,242,614
11 COAL at Scherer	141,817	128,801	140,785	131,885	141,419	104,001	108,615	107,867	57,274	0	0	65,210	1,127,674
12 GAS	10,725	95,350	160,061	202,450	221,811	181,977	212,849	191,272	151,106	137,162	94,242	63,049	1,722,054
13 LANDFILL GAS	0	0	0	0	0	0	0	0	0	0	0	0	0
14 OIL - C.T.	0	0	0	0	0	0	0	0	0	0	0	0	0
15 TOTAL (MWH)	1,073,582	1,043,877	1,105,565	1,167,826	1,318,417	1,263,498	1,371,307	1,367,814	1,207,283	1,171,628	962,804	1,038,741	14,092,342
UNITS OF FUEL BURNED													
16 LIGHTER OIL (BBL)	360	314	341	669	350	457	337	304	401	374	323	383	4,612
17 COAL excl. Scherer (TON) (1)	419,656	372,668	366,710	385,091	448,609	458,546	489,309	501,493	463,732	478,099	400,892	420,917	5,205,722
18 GAS-all (MCF) (2)	24,930	496,357	1,117,982	1,587,156	1,580,155	1,326,920	1,475,850	1,253,229	1,085,654	1,135,424	652,785	321,190	12,057,632
19 OIL - C.T. (BBL)	0	0	0	0	0	0	0	0	0	0	0	0	0
BTU'S BURNED (MMBTU)													
20 COAL + GAS B.L. + OIL B.L.	11,025,072	9,833,356	9,995,769	10,177,847	11,583,184	11,798,947	12,577,678	12,826,701	11,332,588	10,864,658	9,079,555	10,418,297	131,513,652
21 GAS-Generation (2)	25,678	511,248	1,151,522	1,634,771	1,627,560	1,366,728	1,520,126	1,290,826	1,118,224	1,169,487	672,369	330,826	12,419,365
22 OIL - C.T.	0	0	0	0	0	0	0	0	0	0	0	0	0
23 TOTAL (MMBTU)	11,050,750	10,344,604	11,147,291	11,812,618	13,210,744	13,165,675	14,097,804	14,117,527	12,450,812	12,034,145	9,751,924	10,749,123	143,933,017

(1) Excludes Plant Scherer. Coal statistics for Plant Scherer are reported in BTUs and \$ only.

(2) Data excludes Gulf's CT in Santa Rosa County because MCF and MMBTU's are not available due to contract specifications.

GENERATING SYSTEM COMPARATIVE DATA BY FUEL TYPE
GULF POWER COMPANY
ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
GENERATION MIX (% MWH)													
24 LIGHTER OIL (B.L.)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25 COAL	99.00	90.87	85.52	82.66	83.18	85.60	84.48	86.02	87.48	88.29	90.21	93.93	87.78
26 GAS-Generation	1.00	9.13	14.48	17.34	16.82	14.40	15.52	13.98	12.52	11.71	9.79	6.07	12.22
27 LANDFILL GAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28 OIL - C.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29 TOTAL (% MWH)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
FUEL COST \$ / UNIT													
30 LIGHTER OIL (\$/BBL)	73.27	73.68	73.93	74.14	74.20	74.25	74.27	74.27	74.28	74.29	74.29	74.29	74.11
31 COAL (\$/TON) (1)	101.00	98.29	104.91	105.73	102.87	106.45	108.18	108.94	109.48	110.43	109.83	110.32	106.57
32 GAS + B.L. (\$/MCF) (2)	43.03	6.84	6.82	6.79	6.86	6.96	7.09	7.18	7.26	7.38	7.79	8.19	7.17
33 OIL - C.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FUEL COST \$ / MMBTU													
34 COAL + GAS B.L. + OIL B.L.	4.13	4.02	4.17	4.30	4.26	4.40	4.47	4.51	4.64	4.86	4.85	4.65	4.44
35 GAS-Generation (2)	41.78	6.65	6.82	6.60	6.66	6.76	6.89	6.97	7.05	7.17	7.57	7.95	6.96
36 OIL - C.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37 TOTAL (\$/MMBTU)	4.22	4.15	4.42	4.62	4.56	4.65	4.73	4.74	4.86	5.09	5.04	4.75	4.66
BTU BURNED BTU / KWH													
38 COAL + GAS B.L. + OIL B.L.	10,373	10,367	10,572	10,543	10,563	10,910	10,857	10,902	10,730	10,503	10,454	10,678	10,631
39 GAS-Generation (2)	0	5,968	7,656	8,466	7,671	7,870	7,442	7,066	7,831	9,172	7,920	6,323	7,716
40 OIL - C.T.	0	0	0	0	0	0	0	0	0	0	0	0	0
41 TOTAL (BTU/KWH)	10,397	10,003	10,172	10,197	10,094	10,489	10,345	10,386	10,385	10,357	10,228	10,456	10,296
FUEL COST CENTS / KWH													
42 COAL + GAS B.L. + OIL B.L.	4.60	4.47	4.78	4.89	4.83	5.00	5.04	5.11	5.09	5.11	5.07	5.10	4.94
43 COAL at Scherer	2.24	2.24	2.26	2.26	2.27	2.99	2.98	2.96	3.09	0.00	0.00	3.06	2.55
44 GAS-Generation	15.19	4.09	5.08	5.56	5.11	5.31	5.13	4.94	5.50	6.48	5.91	5.05	5.36
45 LANDFILL GAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46 OIL - C.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
47 TOTAL (¢/KWH)	4.40	4.16	4.50	4.71	4.81	4.88	4.89	4.92	5.04	5.27	5.15	4.97	4.80

(1) Excludes Plant Scherer. Coal statistics for Plant Scherer are reported in BTUs and \$ only.

(2) Data excludes Gulf's CT in Santa Rosa County because MCF and MMBTU's are not available due to contract specifications.

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: JANUARY 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equiv. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	38,872	69.7	79.8	87.3	10,598	Coal	17,513	11,762	411,968	1,912,933	4.92	109.23
2	4							Gas - G						
3	Crist 5	75.0	41,516	74.4	85.9	86.6	10,467	Coal	18,473	11,762	434,552	2,017,802	4.86	109.23
4	5							Gas - G						
5	Crist 6	291.0	124,083	57.3	83.6	68.6	11,022	Coal	58,138	11,762	1,367,647	6,350,541	5.12	109.23
6	6							Gas - G						
7	Crist 7	465.0	235,962	68.2	74.2	91.9	10,459	Coal	104,911	11,762	2,467,924	11,459,575	4.86	109.23
8	7							Gas - G						
9	Scherer 3 (2)	210.5	141,817	90.6	96.0	94.3	10,141	Coal	84,148	8,545	1,438,145	3,175,756	2.24	37.74
10	Scholz 1	46.0	3,779	11.0	95.0	11.6	12,781	Coal	1,973	12,242	48,301	262,514	6.95	133.05
11	Scholz 2	46.0	3,869	11.3	95.0	11.9	4,376	Coal	691	12,242	16,930	92,015	2.38	133.16
12	Smith 1	162.0	109,253	90.6	98.9	91.7	10,247	Coal	47,618	11,755	1,119,520	5,375,156	4.92	112.88
13	Smith 2	195.0	117,221	80.8	97.6	82.8	10,405	Coal	51,879	11,755	1,219,689	5,856,098	5.00	112.88
14	Smith 3	584.0	0	0.0	3.0	0.0	N/A	Gas	24,930	1,030	25,678	1,072,804	N/A	43.03
15	Smith A (CT)	40.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		10,725				N/A	Gas				556,628	5.19	N/A
17	Florida Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	101,264	53.4	71.4	74.8	10,521	Coal	50,517	10,545	1,065,394	3,863,581	3.82	76.48
19	Daniel 2 (1)	255.0	145,221	76.5	89.7	85.3	9,867	Coal	67,943	10,545	1,432,896	5,196,299	3.58	76.48
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	360	139,400	2,106	26,358	N/A	73.27
22		2,699.5	1,073,582	53.5	67.5	79.2	10,397				11,050,750	47,218,060	4.40	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: FEBRUARY 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equiv. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	43,416	86.1	99.0	87.0	10,609	Coal	19,536	11,789	460,604	2,045,028	4.71	104.68
2	4							Gas - G						
3	Crist 5	75.0	34,472	68.4	81.0	84.4	10,495	Coal	15,345	11,789	361,788	1,606,297	4.66	104.68
4	5							Gas - G						
5	Crist 6	291.0	86,552	44.3	65.2	67.9	10,798	Coal	39,639	11,789	934,583	4,149,444	4.79	104.68
6	6							Gas - G						
7	Crist 7	465.0	264,626	84.7	92.1	91.9	10,458	Coal	117,379	11,789	2,767,455	12,287,187	4.64	104.68
8	7							Gas - G						
9	Scherer 3 (2)	210.5	128,801	91.1	96.0	94.8	10,095	Coal	75,832	8,573	1,300,239	2,887,551	2.24	38.08
10	Scholz 1	46.0	2,771	9.0	95.0	9.4	5,810	Coal	658	12,242	16,100	87,505	3.16	132.99
11	Scholz 2	46.0	1,290	4.2	95.0	4.4	25,888	Coal	1,364	12,242	33,395	181,499	14.07	133.06
12	Smith 1	162.0	97,717	89.8	99.0	90.7	10,259	Coal	42,503	11,793	1,002,478	4,554,612	4.66	107.16
13	Smith 2	195.0	97,685	74.5	90.5	82.4	10,285	Coal	42,596	11,793	1,004,689	4,564,660	4.67	107.16
14	Smith 3	584.0	85,660	21.8	51.0	42.8	5,968	Gas	496,357	1,030	511,248	3,397,243	3.97	6.84
15	Smith A (CT)	40.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		9,690				N/A	Gas				502,911	5.19	N/A
17	Perdido Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	92,879	54.2	72.0	75.3	10,402	Coal	46,393	10,412	966,122	3,543,784	3.82	76.39
19	Daniel 2 (1)	255.0	98,318	57.4	71.6	80.1	10,009	Coal	47,255	10,412	984,067	3,609,606	3.67	76.39
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	314	139,400	1,836	23,105	N/A	73.68
22		2,699.5	1,043,877	57.5	77.2	74.6	10,003				10,344,604	43,440,433	4.16	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: MARCH 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equiv. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	49,009	87.8	99.1	88.6	11,035	Coal	22,965	11,775	540,811	2,430,570	4.96	105.84
2	4							Gas - G						
3	Crist 5	75.0	47,919	85.9	98.7	87.0	10,873	Coal	22,124	11,775	521,018	2,341,614	4.89	105.84
4	5							Gas - G						
5	Crist 6	291.0	153,168	70.7	95.7	73.9	10,916	Coal	70,998	11,775	1,671,980	7,514,390	4.91	105.84
6	6							Gas - G						
7	Crist 7	465.0	293,632	84.9	92.3	92.0	10,839	Coal	135,146	11,775	3,182,672	14,303,903	4.87	105.84
8	7							Gas - G						
9	Scherer 3 (2)	210.5	140,785	89.9	96.0	93.6	10,123	Coal	82,978	8,588	1,425,162	3,179,267	2.26	38.31
10	Scholz 1	46.0	2,579	7.5	95.0	7.9	6,243	Coal	658	12,242	16,100	87,505	3.39	132.99
11	Scholz 2	46.0	0	0.0	95.0	0.0	N/A	Coal	0	0	0	0	N/A	N/A
12	Smith 1	162.0	108,040	89.6	99.2	90.4	10,259	Coal	47,051	11,779	1,108,378	5,152,176	4.77	109.50
13	Smith 2	195.0	101,871	70.2	84.9	82.7	10,284	Coal	44,472	11,779	1,047,639	4,869,837	4.78	109.50
14	Smith 3	584.0	150,408	34.6	67.0	51.7	7,656	Gas	1,117,982	1,030	1,151,522	7,628,833	5.07	6.82
15	Smith A (CT)	36.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		9,653				N/A	Gas				500,991	5.19	N/A
17	Perdido Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	0	0.0	0.0	0.0	N/A	Coal	0	0	0	0	N/A	N/A
19	Daniel 2 (1)	255.0	48,501	25.6	30.6	83.5	9,897	Coal	23,296	10,303	480,011	1,769,893	3.65	75.97
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	341	139,400	1,998	25,229	N/A	73.93
22		2,695.5	1,105,565	55.1	73.3	75.2	10,172				11,147,291	49,804,208	4.50	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: APRIL 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equiv. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	45,038	83.4	99.0	84.2	10,294	Coal	19,653	11,795	463,619	2,200,199	4.89	111.95
2	4							Gas - G						
3	Crist 5	75.0	44,101	81.7	98.6	82.8	10,516	Coal	19,659	11,795	463,766	2,200,897	4.99	111.95
4	5							Gas - G						
5	Crist 6	291.0	138,205	66.0	95.7	68.9	11,018	Coal	64,549	11,795	1,522,743	7,226,487	5.23	111.95
6	6							Gas - G						
7	Crist 7	465.0	266,546	79.6	92.1	86.4	10,892	Coal	123,068	11,795	2,903,223	13,777,841	5.17	111.95
8	7							Gas - G						
9	Scherer 3 (2)	210.5	131,885	87.0	96.0	90.6	10,083	Coal	77,306	8,601	1,329,792	2,975,415	2.26	38.49
10	Scholz 1	46.0	2,579	7.8	95.0	8.2	6,243	Coal	658	12,242	16,100	87,505	3.39	132.99
11	Scholz 2	46.0	0	0.0	95.0	0.0	N/A	Coal	0	0	0	0	N/A	N/A
12	Smith 1	162.0	101,322	86.9	99.2	87.6	10,299	Coal	44,215	11,800	1,043,515	5,164,132	5.10	116.80
13	Smith 2	195.0	80,965	57.7	75.0	76.9	10,297	Coal	35,325	11,800	833,697	4,125,784	5.10	116.80
14	Smith 3	584.0	193,108	45.9	95.0	48.3	8,466	Gas	1,587,156	1,030	1,634,771	10,781,315	5.58	6.79
15	Smith A (CT)	36.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		9,342				N/A	Gas				484,850	5.19	N/A
17	Perdido Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	22,363	12.2	16.1	75.7	10,383	Coal	11,332	10,245	232,197	862,079	3.85	76.07
19	Daniel 2 (1)	255.0	132,372	72.1	95.6	75.4	10,314	Coal	66,632	10,245	1,365,280	5,068,879	3.83	76.07
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	669	139,400	3,915	49,576	N/A	74.14
22		<u>2,695.5</u>	<u>1,167,826</u>	<u>60.2</u>	<u>86.3</u>	<u>69.7</u>	<u>10,197</u>				<u>11,812,618</u>	<u>55,004,960</u>	<u>4.71</u>	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: MAY 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equip. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	46,341	83.0	99.3	83.6	10,452	Coal	20,562	11,778	484,359	2,334,058	5.04	113.51
2	4							Gas - G						
3	Crist 5	75.0	45,698	81.9	98.9	82.8	10,864	Coal	21,075	11,778	496,460	2,392,369	5.24	113.52
4	5							Gas - G						
5	Crist 6	291.0	143,403	66.2	95.7	69.2	11,012	Coal	67,036	11,778	1,579,152	7,609,705	5.31	113.52
6	6							Gas - G						
7	Crist 7	465.0	286,976	83.0	92.6	89.6	10,732	Coal	130,742	11,778	3,079,828	14,841,247	5.17	113.52
8	7							Gas - G						
9	Scherer 3 (2)	210.5	141,419	90.3	97.0	93.1	10,135	Coal	83,238	8,610	1,433,352	3,213,863	2.27	38.61
10	Scholz 1	46.0	1,308	3.8	96.0	4.0	24,274	Coal	1,297	12,242	31,751	172,568	13.19	133.05
11	Scholz 2	46.0	0	0.0	96.0	0.0	N/A	Coal	682	12,242	16,697	90,749	N/A	133.06
12	Smith 1	162.0	98,330	81.6	99.2	82.2	10,269	Coal	42,827	11,789	1,009,748	5,171,234	5.26	120.75
13	Smith 2	195.0	52,114	35.9	47.3	75.9	10,299	Coal	22,764	11,789	536,719	2,748,706	5.27	120.75
14	Smith 3	556.0	212,158	51.3	96.0	53.4	7,671	Gas	1,580,155	1,030	1,627,560	10,839,550	5.11	6.86
15	Smith A (CT)	36.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		9,653				N/A	Gas				500,991	5.19	N/A
17	Pardo Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	139,547	73.6	96.6	76.1	10,492	Coal	71,181	10,284	1,464,129	5,422,789	3.89	76.18
19	Daniel 2 (1)	255.0	141,470	74.6	95.8	77.8	10,242	Coal	70,443	10,284	1,448,937	5,366,520	3.79	76.18
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	350	139,400	2,052	26,007	N/A	74.20
22		<u>2,667.5</u>	<u>1,318,417</u>	<u>66.4</u>	<u>92.4</u>	<u>71.9</u>	<u>10,094</u>				<u>13,210,744</u>	<u>60,730,357</u>	<u>4.61</u>	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: JUNE 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equip. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	44,547	82.5	99.3	83.1	10,993	Coal	20,806	11,768	489,701	2,417,168	5.43	116.18
2	4							Gas - G						
3	Crist 5	75.0	44,258	82.0	98.9	82.9	10,991	Coal	20,668	11,768	486,442	2,401,082	5.43	116.17
4	5							Gas - G						
5	Crist 6	291.0	144,936	69.2	96.0	72.1	10,950	Coal	67,430	11,768	1,587,047	7,833,682	5.40	116.18
6	6							Gas - G						
7	Crist 7	465.0	277,568	82.9	92.5	89.6	10,899	Coal	128,533	11,768	3,025,213	14,932,482	5.38	116.18
8	7							Gas - G						
9	Scherer 3 (2)	210.5	104,001	68.6	97.0	70.7	13,305	Coal	80,296	8,616	1,383,738	3,107,664	2.99	38.70
10	Scholz 1	46.0	3,270	9.9	96.0	10.3	7,581	Coal	1,013	12,242	24,790	134,735	4.12	133.01
11	Scholz 2	46.0	3,036	9.2	96.0	9.5	2,815	Coal	349	12,242	8,546	46,450	1.53	133.09
12	Smith 1	162.0	96,162	82.4	99.2	83.1	10,364	Coal	42,351	11,766	996,625	5,248,899	5.46	123.94
13	Smith 2	195.0	104,503	74.4	97.8	76.1	10,506	Coal	46,655	11,766	1,097,904	5,782,304	5.53	123.94
14	Smith 3	556.0	173,673	43.4	96.0	45.2	7,870	Gas	1,326,920	1,030	1,366,728	9,237,715	5.32	6.96
15	Smith A (CT)	32.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		8,304				N/A	Gas				430,978	5.19	N/A
17	Perdido Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	128,845	70.2	96.7	72.6	10,455	Coal	65,319	10,311	1,347,069	5,002,658	3.88	76.59
19	Daniel 2 (1)	255.0	130,395	71.0	95.8	74.1	10,347	Coal	65,422	10,311	1,349,199	5,010,568	3.84	76.59
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	457	139,400	2,673	33,895	N/A	74.25
22		2,663.5	1,263,498	65.9	96.1	68.6	10,489				13,165,675	61,620,280	4.88	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: JULY 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equiv. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	46,901	84.1	99.3	84.6	10,988	Coal	21,850	11,793	515,347	2,583,460	5.51	118.24
2	4							Gas - G						
3	Crist 5	75.0	46,269	82.9	98.9	83.8	11,003	Coal	21,585	11,793	509,100	2,552,143	5.52	118.24
4	5							Gas - G						
5	Crist 6	291.0	157,332	72.7	96.0	75.7	10,881	Coal	72,584	11,793	1,711,925	8,581,964	5.45	118.23
6	6							Gas - G						
7	Crist 7	465.0	299,376	86.5	92.6	93.5	10,612	Coal	134,701	11,793	3,176,976	15,926,335	5.32	118.23
8	7							Gas - G						
9	Scherer 3 (2)	210.5	108,615	69.4	97.0	71.5	13,259	Coal	83,501	8,624	1,440,157	3,235,783	2.98	38.75
10	Scholz 1	46.0	3,731	10.9	96.0	11.4	19,024	Coal	2,899	12,242	70,980	385,775	10.34	133.07
11	Scholz 2	46.0	4,409	12.9	96.0	13.4	11,430	Coal	2,058	12,242	50,395	273,896	6.21	133.09
12	Smith 1	162.0	100,848	83.7	99.2	84.3	10,454	Coal	44,729	11,785	1,054,267	5,654,263	5.61	126.41
13	Smith 2	195.0	111,511	76.9	97.7	78.7	10,432	Coal	49,354	11,785	1,163,279	6,238,915	5.59	126.41
14	Smith 3	556.0	204,269	49.4	96.0	51.4	7,442	Gas	1,475,850	1,030	1,520,126	10,466,068	5.12	7.09
15	Smith A (CT)	32.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		8,580				N/A	Gas				445,302	5.19	N/A
17	Perido Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	138,933	73.2	96.6	75.8	10,379	Coal	69,791	10,331	1,441,980	5,368,406	3.86	76.92
19	Daniel 2 (1)	255.0	140,533	74.1	95.8	77.3	10,256	Coal	69,758	10,331	1,441,301	5,365,878	3.82	76.92
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	337	139,400	1,971	25,001	N/A	74.27
22		2,663.5	1,371,307	69.2	96.1	72.0	10,345				14,097,804	67,103,189	4.89	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: AUGUST 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equiv. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	47,379	84.9	99.3	85.5	11,271	Coal	22,679	11,773	534,010	2,701,936	5.70	119.14
2	4							Gas - G						
3	Crist 5	75.0	47,137	84.5	98.9	85.4	11,257	Coal	22,535	11,773	530,625	2,684,808	5.70	119.14
4	5							Gas - G						
5	Crist 6	291.0	159,648	73.7	96.0	76.8	10,862	Coal	73,645	11,773	1,734,097	8,774,030	5.50	119.14
6	6							Gas - G						
7	Crist 7	465.0	300,752	86.9	92.6	93.9	10,812	Coal	138,097	11,773	3,251,727	16,452,805	5.47	119.14
8	7							Gas - G						
9	Scherer 3 (2)	210.5	107,867	68.9	97.0	71.0	13,180	Coal	82,390	8,627	1,421,636	3,195,930	2.96	38.79
10	Scholz 1	46.0	7,354	21.5	96.0	22.4	13,682	Coal	4,110	12,242	100,620	546,870	7.44	133.06
11	Scholz 2	46.0	4,618	13.5	96.0	14.1	13,404	Coal	2,528	12,242	61,898	336,418	7.28	133.08
12	Smith 1	162.0	101,960	84.6	99.2	85.3	10,332	Coal	44,783	11,762	1,053,450	5,713,706	5.60	127.59
13	Smith 2	195.0	113,058	77.9	97.7	79.8	10,380	Coal	49,888	11,762	1,173,538	6,365,040	5.63	127.59
14	Smith 3	556.0	182,692	44.2	96.0	46.0	7,066	Gas	1,253,229	1,030	1,290,826	8,997,057	4.92	7.18
15	Smith A (CT)	32.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		8,580				N/A	Gas				445,302	5.19	N/A
17	Perdido Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	142,464	75.1	96.6	77.7	10,338	Coal	71,185	10,345	1,472,790	5,496,115	3.86	77.21
19	Daniel 2 (1)	255.0	144,305	76.1	95.8	79.4	10,329	Coal	72,043	10,345	1,490,528	5,562,311	3.85	77.21
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	304	139,400	1,782	22,605	N/A	74.27
22		<u>2,663.5</u>	<u>1,367,814</u>	<u>69.0</u>	<u>96.1</u>	<u>71.9</u>	<u>10,386</u>				<u>14,117,527</u>	<u>67,294,934</u>	<u>4.92</u>	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: SEPTEMBER 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equiv. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	45,649	84.5	98.9	85.5	10,989	Coal	21,264	11,795	501,636	2,549,375	5.58	119.89
2	4							Gas - G						
3	Crist 5	75.0	45,008	83.3	98.9	84.3	11,027	Coal	21,038	11,795	496,303	2,522,275	5.60	119.89
4	5							Gas - G						
5	Crist 6	291.0	150,847	72.0	95.8	75.2	10,894	Coal	69,659	11,795	1,643,322	8,351,565	5.54	119.89
6	6							Gas - G						
7	Crist 7	465.0	281,178	84.0	92.5	90.8	10,661	Coal	127,068	11,795	2,997,643	15,234,393	5.42	119.89
8	7							Gas - G						
9	Scherer 3 (2)	210.5	57,274	37.8	55.0	68.7	13,672	Coal	45,497	8,605	783,024	1,771,939	3.09	38.95
10	Scholz 1	46.0	1,290	3.9	55.0	7.1	5,692	Coal	300	12,242	7,343	39,909	3.09	133.03
11	Scholz 2	46.0	1,902	5.7	96.0	6.0	4,408	Coal	342	12,242	8,384	45,565	2.40	133.23
12	Smith 1	162.0	96,818	83.0	99.2	83.7	10,243	Coal	42,084	11,783	991,707	5,420,978	5.60	128.81
13	Smith 2	195.0	106,560	75.9	97.8	77.6	10,295	Coal	46,553	11,783	1,097,033	5,996,725	5.63	128.82
14	Smith 3	556.0	142,802	35.7	96.0	37.2	7,831	Gas	1,085,654	1,030	1,118,224	7,879,006	5.52	7.26
15	Smith A (CT)	32.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		8,304				N/A	Gas				430,978	5.19	N/A
17	Perdido Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	134,097	73.0	96.4	75.8	10,384	Coal	67,255	10,352	1,392,459	5,268,930	3.93	78.34
19	Daniel 2 (1)	255.0	135,554	73.8	95.6	77.2	10,412	Coal	68,169	10,352	1,411,385	5,340,545	3.94	78.34
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	401	139,400	2,349	29,801	N/A	74.28
22		2,663.5	1,207,283	63.0	92.0	68.5	10,385				12,450,812	60,881,984	5.04	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: OCTOBER 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equiv. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	47,990	86.0	98.9	87.0	11,001	Coal	22,415	11,776	527,942	2,707,321	5.64	120.78
2	4							Gas - G						
3	Crist 5	75.0	47,443	85.0	98.7	86.1	10,713	Coal	21,580	11,776	508,257	2,606,373	5.49	120.78
4	5							Gas - G						
5	Crist 6	291.0	152,970	70.7	96.0	73.6	10,920	Coal	70,924	11,776	1,670,435	8,566,092	5.60	120.78
6	6							Gas - G						
7	Crist 7	465.0	288,010	83.2	92.6	89.9	10,466	Coal	127,982	11,776	3,014,310	15,457,567	5.37	120.78
8	7							Gas - G						
9	Scherer 3 (2)	210.5	0	0.0	0.0	0.0	N/A	Coal	0	0	0	0	N/A	N/A
10	Scholz 1	46.0	0	0.0	64.0	0.0	N/A	Coal	658	12,242	16,100	87,505	N/A	132.99
11	Scholz 2	46.0	0	0.0	95.0	0.0	N/A	Coal	0	0	0	0	N/A	N/A
12	Smith 1	162.0	105,453	87.5	98.9	88.5	10,233	Coal	45,876	11,761	1,079,100	5,941,032	5.63	129.50
13	Smith 2	195.0	112,524	77.6	97.6	79.5	10,290	Coal	49,225	11,761	1,157,874	6,374,728	5.67	129.50
14	Smith 3	584.0	127,509	29.3	95.0	30.9	9,172	Gas	1,135,424	1,030	1,169,487	8,381,713	6.57	7.38
15	Smith A (CT)	36.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		9,653				N/A	Gas				500,991	5.19	N/A
17	Perido Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	139,129	73.3	96.4	76.1	10,377	Coal	69,696	10,357	1,443,742	5,526,131	3.97	79.29
19	Daniel 2 (1)	255.0	140,947	74.3	95.8	77.5	10,250	Coal	69,743	10,357	1,444,711	5,529,841	3.92	79.29
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	374	139,400	2,187	27,749	N/A	74.29
22		2,695.5	1,171,628	58.4	87.7	66.7	10,357				12,034,145	61,707,044	5.27	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: NOVEMBER 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equiv. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (\$/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	18,482	34.2	39.8	86.0	10,725	Coal	8,405	11,792	198,216	1,022,626	5.53	121.67
2	4							Gas - G						
3	Crist 5	75.0	45,029	83.4	98.6	84.6	10,493	Coal	20,034	11,792	472,484	2,437,614	5.41	121.67
4	5							Gas - G						
5	Crist 6	291.0	141,072	67.3	96.0	70.1	10,560	Coal	63,165	11,792	1,489,719	7,685,679	5.45	121.68
6	6							Gas - G						
7	Crist 7	465.0	220,351	65.8	74.1	88.8	10,471	Coal	97,832	11,792	2,307,298	11,903,688	5.40	121.67
8	7							Gas - G						
9	Scherer 3 (2)	210.5	0	0.0	0.0	0.0	N/A	Coal	0	0	0	0	N/A	N/A
10	Scholz 1	46.0	0	0.0	95.0	0.0	N/A	Coal	658	12,242	16,100	87,505	N/A	132.99
11	Scholz 2	46.0	0	0.0	95.0	0.0	N/A	Coal	0	0	0	0	N/A	N/A
12	Smith 1	162.0	79,441	68.1	79.1	86.1	10,326	Coal	34,818	11,780	820,312	4,553,167	5.73	130.77
13	Smith 2	195.0	102,165	72.8	97.5	74.6	10,304	Coal	44,682	11,780	1,052,705	5,843,073	5.72	130.77
14	Smith 3	584.0	84,900	20.2	95.0	21.3	7,920	Gas	652,785	1,030	672,369	5,087,144	5.99	7.79
15	Smith A (CT)	36.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		9,342				N/A	Gas				484,850	5.19	N/A
17	Parado Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	130,960	71.3	96.4	74.0	10,428	Coal	65,902	10,361	1,365,655	5,268,049	4.02	79.94
19	Daniel 2 (1)	255.0	131,062	71.4	95.8	74.5	10,340	Coal	65,396	10,361	1,355,176	5,227,625	3.99	79.94
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	323	139,400	1,890	23,981	N/A	74.29
22		2,695.5	962,804	49.6	82.1	60.4	10,228				9,751,924	49,825,001	5.15	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: DECEMBER 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equiv. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	28,724	51.5	60.9	84.5	10,988	Coal	13,368	11,805	315,614	1,635,638	5.69	122.35
2	4							Gas - G						
3	Crist 5	75.0	45,829	82.1	98.7	83.2	10,509	Coal	20,399	11,805	481,612	2,495,906	5.45	122.35
4	5							Gas - G						
5	Crist 6	291.0	137,657	63.6	96.0	66.2	11,074	Coal	64,569	11,805	1,524,416	7,900,137	5.74	122.35
6	6							Gas - G						
7	Crist 7	465.0	231,284	66.9	71.6	93.4	10,450	Coal	102,372	11,805	2,416,914	12,525,419	5.42	122.35
8	7							Gas - G						
9	Scherer 3 (2)	210.5	65,210	41.6	59.0	70.6	13,410	Coal	50,986	8,575	874,447	1,997,159	3.06	39.17
10	Scholz 1	46.0	3,869	11.3	95.0	11.9	4,161	Coal	658	12,242	16,100	87,505	2.26	132.99
11	Scholz 2	46.0	1,290	3.8	95.0	4.0	12,943	Coal	682	12,242	16,697	90,749	7.03	133.06
12	Smith 1	162.0	81,569	67.7	79.7	84.9	10,342	Coal	35,746	11,800	843,583	4,687,794	5.75	131.14
13	Smith 2	195.0	103,329	71.2	97.4	73.1	10,309	Coal	45,137	11,800	1,065,222	5,919,437	5.73	131.14
14	Smith 3	584.0	52,324	12.0	95.0	12.7	6,323	Gas	321,190	1,030	330,826	2,630,067	5.03	8.19
15	Smith A (CT)	40.0	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		10,725				N/A	Gas				556,628	5.19	N/A
17	Perdido Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	136,954	72.2	96.4	74.9	10,403	Coal	68,704	10,369	1,424,731	5,523,146	4.03	80.39
19	Daniel 2 (1)	255.0	139,977	73.8	95.6	77.2	10,264	Coal	69,282	10,369	1,436,720	5,569,620	3.98	80.39
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	383	139,400	2,241	28,435	N/A	74.29
22		2,699.5	1,038,741	51.7	86.9	59.5	10,456				10,749,123	51,647,640	4.97	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF: JANUARY 2010 - DECEMBER 2010

Line	(a) Plant/Unit	(b) Net Cap. (MW)	(c) Net Gen. (MWH)	(d) Cap. Factor (%)	(e) Equiv. Avail. Factor (%)	(f) Net Output Factor (%)	(g) Avg. Net Heat Rate (BTU/KWH)	(h) Fuel Type	(i) Fuel Burned (Units) Tons/MCF/Bbl	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 4	75.0	502,348	76.5	89.4	85.5	10,837	Coal	231,016	11,783	5,443,827	26,540,313	5.28	114.89
2	4							Gas - G						
3	Crist 5	75.0	534,679	81.4	96.2	84.6	10,777	Coal	244,515	11,783	5,762,407	28,259,181	5.29	115.57
4	5							Gas - G						
5	Crist 6	291.0	1,689,873	66.3	92.3	71.8	10,910	Coal	782,336	11,783	18,437,066	90,543,717	5.36	115.74
6	6							Gas - G						
7	Crist 7	465.0	3,246,261	79.7	87.7	90.9	10,656	Coal	1,467,831	11,783	34,591,183	169,102,443	5.21	115.21
8	7							Gas - G						
9	Scherer 3 (2)	210.5	1,127,674	61.2	73.8	82.8	11,377	Coal	746,172	7,164	12,829,692	28,740,327	2.55	38.52
10	Scholz 1	46.0	32,530	8.1	89.4	9.0	11,693	Coal	15,540	12,242	380,385	2,067,401	6.36	133.04
11	Scholz 2	46.0	20,414	5.1	95.4	5.3	10,431	Coal	8,696	8,161	212,942	1,157,341	5.67	133.09
12	Smith 1	162.0	1,176,913	82.9	95.8	86.5	10,300	Coal	514,601	11,779	12,122,683	62,637,148	5.32	121.72
13	Smith 2	195.0	1,203,506	70.5	89.9	78.4	10,345	Coal	528,530	11,779	12,449,988	64,685,308	5.37	122.39
14	Smith 3	572.3	1,609,503	32.1	81.8	39.3	7,716	Gas	12,057,632	1,030	12,419,365	86,398,515	5.37	7.17
15	Smith A (CT)	35.7	0	0.0	100.0	0.0	N/A	Oil	0	0	0	0	N/A	N/A
16	Other Generation		112,551				N/A	Gas				5,841,400	5.19	N/A
17	Porcillo Landfill		0				N/A	Landfill Gas				0	N/A	N/A
18	Daniel 1 (1)	255.0	1,307,435	58.5	77.6	75.4	10,414	Coal	657,275	9,493	13,616,268	51,145,668	3.91	77.81
19	Daniel 2 (1)	255.0	1,528,655	68.4	87.8	77.9	10,231	Coal	755,382	10,351	15,640,211	58,617,585	3.83	77.60
20	Gas, BL							Gas	0	0	0	0	N/A	N/A
21	Ltr. Oil							Oil	4,612	139,400	27,000	341,742	N/A	74.11
22		2,683.5	14,092,342	59.9	86.1	69.6	10,296				143,933,017	676,078,089	4.80	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM GENERATED FUEL COST INVENTORY ANALYSIS
GULF POWER COMPANY
ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
LIGHT OIL													
1 PURCHASES :													
2 UNITS (BBL)	913	858	751	1,292	891	1,100	893	832	988	826	859	1,073	11,276
3 UNIT COST (\$/BBL)	74.14	74.14	74.57	74.06	74.17	73.97	74.12	74.19	74.07	72.99	72.76	73.83	73.92
4 AMOUNT (\$)	67,698	63,641	55,994	95,694	66,118	81,352	66,192	61,717	73,161	60,257	62,522	79,208	833,554
5 BURNED :													
6 UNITS (BBL)	360	314	341	669	350	457	337	304	401	374	323	383	4,612
7 UNIT COST (\$/BBL)	73.27	73.68	73.93	74.14	74.20	74.25	74.27	74.27	74.26	74.29	74.29	74.29	74.10
8 AMOUNT (\$)	26,358	23,105	25,229	49,576	26,007	33,895	25,001	22,605	29,801	27,749	23,981	28,435	341,742
9 ENDING INVENTORY :													
10 UNITS (BBL)	16,370	16,915	17,324	17,948	18,489	19,132	19,689	20,216	20,803	21,255	21,791	22,481	
11 UNIT COST (\$/BBL)	70.19	70.33	70.44	70.56	70.67	70.77	70.86	70.95	71.03	71.05	71.07	71.15	
12 AMOUNT (\$)	1,149,032	1,189,568	1,220,333	1,266,451	1,306,562	1,354,019	1,395,210	1,434,322	1,477,682	1,510,190	1,548,731	1,599,504	
13 DAYS SUPPLY:	N/A												
COAL EXCLUDING PLANT SCHERER													
14 PURCHASES :													
15 UNITS (TONS)	447,985	351,500	403,000	358,500	429,000	457,000	476,000	482,000	469,500	462,500	401,500	415,000	5,153,485
16 UNIT COST (\$/TON)	103.21	98.53	107.04	117.21	104.38	111.57	112.11	115.87	113.16	116.94	112.64	111.89	110.58
17 AMOUNT (\$)	46,235,049	34,632,622	43,136,666	42,020,441	44,778,777	50,989,756	53,363,592	55,851,212	53,130,232	54,083,944	45,224,584	46,434,674	569,881,549
18 BURNED :													
19 UNITS (TONS)	419,656	372,668	366,710	385,091	448,609	458,546	489,309	501,493	463,732	478,099	400,892	420,917	5,205,722
20 UNIT COST (\$/TON)	101.00	98.29	104.91	105.73	102.87	106.45	108.18	108.94	109.48	110.43	109.83	110.32	106.57
21 AMOUNT (\$)	42,386,514	36,629,623	38,469,888	40,713,804	46,149,946	48,810,028	52,931,035	54,634,040	50,770,260	52,796,591	44,029,026	46,435,351	554,756,105
22 ENDING INVENTORY :													
23 UNITS (TONS)	810,468	789,300	825,590	798,999	779,390	777,844	764,535	745,042	750,810	735,211	735,819	729,902	
24 UNIT COST (\$/TON)	83.33	83.04	85.04	89.50	90.00	92.98	95.16	99.29	101.67	105.57	107.11	107.98	
25 AMOUNT (\$)	67,537,008	65,540,007	70,206,785	71,513,422	70,142,254	72,321,981	72,754,538	73,971,710	76,331,682	77,619,035	78,814,593	78,813,916	
26 DAYS SUPPLY:	40	39	40	39	38	38	37	37	37	36	36	36	36

(1) Data excludes Gulf's CT in Santa Rosa County because MCF and MMBTU's are not available due to contract specifications.

**SYSTEM GENERATED FUEL COST INVENTORY ANALYSIS
GULF POWER COMPANY
ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010**

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL	
COAL AT PLANT SCHERER														
27	<i>PURCHASES :</i>													
28	UNITS (MMBTU)	1,226,170	1,320,215	1,232,693	1,285,416	1,288,874	1,292,579	1,350,723	1,334,971	895,246	895,246	895,246	895,246	13,912,625
29	UNIT COST (\$/MMBTU)	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.30	2.30	2.30	2.30	2.26
30	AMOUNT (\$)	2,761,832	2,966,608	2,777,704	2,893,314	2,901,750	2,911,563	3,037,061	3,003,776	2,056,496	2,056,496	2,057,607	2,059,422	31,483,629
31	<i>BURNED :</i>													
32	UNITS (MMBTU)	1,438,145	1,300,239	1,425,162	1,329,792	1,433,352	1,383,738	1,440,157	1,421,636	783,024	0	0	874,447	12,829,692
33	UNIT COST (\$/MMBTU)	2.21	2.22	2.23	2.24	2.24	2.25	2.25	2.25	2.26	0.00	0.00	2.28	2.24
34	AMOUNT (\$)	3,175,756	2,887,551	3,179,267	2,975,415	3,213,863	3,107,664	3,235,783	3,195,930	1,771,939	0	0	1,997,159	28,740,327
35	<i>ENDING INVENTORY :</i>													
36	UNITS (MMBTU)	1,993,306	2,013,282	1,820,813	1,776,437	1,631,959	1,540,800	1,451,366	1,364,701	1,476,923	2,372,169	3,267,415	3,288,214	
37	UNIT COST (\$/MMBTU)	2.18	2.20	2.21	2.22	2.23	2.23	2.23	2.23	2.26	2.27	2.28	2.28	
38	AMOUNT (\$)	4,352,765	4,431,822	4,030,259	3,948,158	3,636,045	3,439,944	3,241,222	3,049,068	3,333,625	5,390,121	7,447,728	7,509,991	
39	DAYS SUPPLY:	38	39	35	34	31	30	28	26	28	46	63	63	
GAS (1)														
44	<i>BURNED :</i>													
45	UNITS (MMBTU)	25,678	511,248	1,151,522	1,634,771	1,627,560	1,366,728	1,520,126	1,290,826	1,118,224	1,169,487	672,369	330,826	12,419,365
46	UNIT COST (\$/MMBTU)	41.78	6.65	6.62	6.60	6.66	6.76	6.89	6.97	7.05	7.17	7.57	7.95	6.96
47	AMOUNT (\$)	1,072,804	3,397,243	7,628,833	10,781,315	10,839,550	9,237,715	10,466,068	8,997,057	7,879,006	8,381,713	5,087,144	2,630,067	86,398,515
OTHER - C.T. OIL														
53	<i>PURCHASES :</i>													
54	UNITS (BBL)	0	0	0	0	0	0	0	0	0	0	0	0	0
55	UNIT COST (\$/BBL)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	AMOUNT (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
57	<i>BURNED :</i>													
58	UNITS (BBL)	0	0	0	0	0	0	0	0	0	0	0	0	0
59	UNIT COST (\$/BBL)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60	AMOUNT (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
61	<i>ENDING INVENTORY :</i>													
62	UNITS (BBL)	7,143	7,143	7,143	7,143	7,143	7,143	7,143	7,143	7,143	7,143	7,143	7,143	
63	UNIT COST (\$/BBL)	79.91	79.91	79.91	79.91	79.91	79.91	79.91	79.91	79.91	79.91	79.91	79.91	
64	AMOUNT (\$)	570,768	570,768	570,768	570,768	570,768	570,768	570,768	570,768	570,768	570,768	570,768	570,768	
65	DAYS SUPPLY:	0	0	0	0	0	0	0	0	0	0	0	0	

(1) Data excludes Gulf's CT in Santa Rosa County because MCF and MMBTU's are not available due to contract specifications.

SCHEDULE E-6
 Page 1 of 2

POWER SOLD
 GULF POWER COMPANY
 ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
LINE	MONTH TYPE & SCHEDULE	TOTAL KWH SOLD	KWH		(A) (B) ¢ / KWH		TOTAL \$ FOR FUEL ADJUSTMENT	TOTAL COST \$
			WHEELED FROM OTHER SYSTEMS	FROM OWN GENERATION	FUEL COST	TOTAL COST		
JANUARY								
1	Southern Co. Interchange	72,553,000	0	72,553,000	3.87	4.16	2,810,000	3,018,000
2	UPS / Separated Sales	153,490,000	0	153,490,000	2.33	2.53	3,576,000	3,884,000
3	Economy Sales	5,478,000	0	5,478,000	3.78	4.20	207,000	230,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	26,000	26,000
5	TOTAL ESTIMATED SALES	<u>231,521,000</u>	<u>0</u>	<u>231,521,000</u>	<u>2.86</u>	<u>3.09</u>	<u>6,619,000</u>	<u>7,158,000</u>
FEBRUARY								
1	Southern Co. Interchange	111,222,000	0	111,222,000	3.89	4.19	4,325,000	4,665,000
2	UPS / Separated Sales	133,691,000	0	133,691,000	2.30	2.49	3,071,000	3,332,000
3	Economy Sales	6,195,000	0	6,195,000	3.78	4.23	234,000	262,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	30,000	30,000
5	TOTAL ESTIMATED SALES	<u>251,108,000</u>	<u>0</u>	<u>251,108,000</u>	<u>3.05</u>	<u>3.30</u>	<u>7,660,000</u>	<u>8,289,000</u>
MARCH								
1	Southern Co. Interchange	146,809,000	0	146,809,000	3.81	4.13	5,588,000	6,060,000
2	UPS / Separated Sales	160,341,000	0	160,341,000	2.36	2.58	3,785,000	4,134,000
3	Economy Sales	4,783,000	0	4,783,000	3.81	4.20	182,000	201,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	23,000	23,000
5	TOTAL ESTIMATED SALES	<u>311,933,000</u>	<u>0</u>	<u>311,933,000</u>	<u>3.07</u>	<u>3.34</u>	<u>9,578,000</u>	<u>10,418,000</u>
APRIL								
1	Southern Co. Interchange	178,568,000	0	178,568,000	3.85	4.17	6,875,000	7,452,000
2	UPS / Separated Sales	136,225,000	0	136,225,000	2.24	2.43	3,054,000	3,316,000
3	Economy Sales	4,693,000	0	4,693,000	3.64	4.03	171,000	189,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	22,000	22,000
5	TOTAL ESTIMATED SALES	<u>319,486,000</u>	<u>0</u>	<u>319,486,000</u>	<u>3.17</u>	<u>3.44</u>	<u>10,122,000</u>	<u>10,979,000</u>
MAY								
1	Southern Co. Interchange	152,388,000	0	152,388,000	3.94	4.27	6,011,000	6,507,000
2	UPS / Separated Sales	141,124,000	0	141,124,000	2.22	2.41	3,130,000	3,395,000
3	Economy Sales	5,132,000	0	5,132,000	3.90	4.38	200,000	225,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	24,000	24,000
5	TOTAL ESTIMATED SALES	<u>298,644,000</u>	<u>0</u>	<u>298,644,000</u>	<u>3.14</u>	<u>3.40</u>	<u>9,365,000</u>	<u>10,151,000</u>
JUNE								
1	Southern Co. Interchange	94,524,000	0	94,524,000	4.35	4.72	4,113,000	4,458,000
2	UPS / Separated Sales	111,866,000	0	111,866,000	3.77	4.07	4,220,000	4,554,000
3	Economy Sales	3,691,000	0	3,691,000	4.25	4.63	157,000	171,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	18,000	18,000
5	TOTAL ESTIMATED SALES	<u>210,081,000</u>	<u>0</u>	<u>210,081,000</u>	<u>4.05</u>	<u>4.38</u>	<u>8,508,000</u>	<u>9,201,000</u>

SCHEDULE E-6
Page 2 of 2

POWER SOLD
GULF POWER COMPANY
ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
MONTH LINE	TYPE & SCHEDULE	TOTAL KWH SOLD	KWH		(A) (B) ¢ / KWH		TOTAL \$ FOR FUEL ADJUSTMENT	TOTAL COST \$
			WHEELED FROM OTHER SYSTEMS	KWH FROM OWN GENERATION	FUEL COST	TOTAL COST		
JULY								
1	Southern Co. Interchange	98,143,000	0	98,143,000	4.67	5.05	4,583,000	4,956,000
2	UPS / Separated Sales	113,913,000	0	113,913,000	4.05	4.35	4,615,000	4,955,000
3	Economy Sales	3,478,000	0	3,478,000	4.72	5.12	164,000	178,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	17,000	17,000
5	TOTAL ESTIMATED SALES	215,534,000	0	215,534,000	4.35	4.69	9,379,000	10,106,000
AUGUST								
1	Southern Co. Interchange	84,869,000	0	84,869,000	5.04	5.40	4,277,000	4,583,000
2	UPS / Separated Sales	114,566,000	0	114,566,000	4.07	4.37	4,666,000	5,002,000
3	Economy Sales	4,621,000	0	4,621,000	4.72	5.15	218,000	238,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	22,000	22,000
5	TOTAL ESTIMATED SALES	204,056,000	0	204,056,000	4.50	4.82	9,183,000	9,845,000
SEPTEMBER								
1	Southern Co. Interchange	101,423,000	0	101,423,000	4.14	4.53	4,201,000	4,596,000
2	UPS / Separated Sales	112,760,000	0	112,760,000	3.83	4.14	4,317,000	4,665,000
3	Economy Sales	3,427,000	0	3,427,000	4.14	4.58	142,000	157,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	16,000	16,000
5	TOTAL ESTIMATED SALES	217,610,000	0	217,610,000	3.99	4.34	8,676,000	9,434,000
OCTOBER								
1	Southern Co. Interchange	161,735,000	0	161,735,000	4.01	4.34	6,493,000	7,016,000
2	UPS / Separated Sales	114,465,000	0	114,465,000	3.62	3.93	4,140,000	4,497,000
3	Economy Sales	5,411,000	0	5,411,000	3.92	4.32	212,000	234,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	26,000	26,000
5	TOTAL ESTIMATED SALES	281,611,000	0	281,611,000	3.86	4.18	10,871,000	11,773,000
NOVEMBER								
1	Southern Co. Interchange	94,735,000	0	94,735,000	4.00	4.31	3,785,000	4,082,000
2	UPS / Separated Sales	104,073,000	0	104,073,000	3.68	4.00	3,835,000	4,164,000
3	Economy Sales	6,361,000	0	6,361,000	3.91	4.26	249,000	271,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	30,000	30,000
5	TOTAL ESTIMATED SALES	205,169,000	0	205,169,000	3.85	4.17	7,899,000	8,547,000
DECEMBER								
1	Southern Co. Interchange	68,978,000	0	68,978,000	3.96	4.30	2,729,000	2,964,000
2	UPS / Separated Sales	107,900,000	0	107,900,000	3.76	4.08	4,059,000	4,407,000
3	Economy Sales	6,929,000	0	6,929,000	3.80	4.20	263,000	291,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	33,000	33,000
5	TOTAL ESTIMATED SALES	183,807,000	0	183,807,000	3.85	4.19	7,084,000	7,695,000
TOTAL								
1	Southern Co. Interchange	1,365,947,000	0	1,365,947,000	4.08	4.42	55,790,000	60,357,000
2	UPS / Separated Sales	1,504,414,000	0	1,504,414,000	3.09	3.34	46,468,000	50,305,000
3	Economy Sales	60,199,000	0	60,199,000	3.99	4.40	2,399,000	2,647,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	287,000	287,000
5	TOTAL ESTIMATED SALES	2,930,560,000	0	2,930,560,000	3.58	3.88	104,944,000	113,596,000

SCHEDULE E-7

PURCHASED POWER
 GULF POWER COMPANY
 (EXCLUSIVE OF ECONOMY ENERGY PURCHASES)

ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010

(1) MONTH	(2) PURCHASED FROM	(3) TYPE & SCHED	(4) TOTAL KWH PURCH.	(5) KWH FOR OTHER UTILITIES	(6) KWH FOR INTERRUPTIBLE	(7) KWH FOR FIRM	(8) ¢ / KWH		(9) TOTAL \$ FOR FUEL ADJ.
							(A) FUEL COST	(B) TOTAL COST	
January	NONE								
February	NONE								
March	NONE								
April	NONE								
May	NONE								
June	NONE								
July	NONE								
August	NONE								
September	NONE								
October	NONE								
November	NONE								
December	NONE								
Total	NONE								

SCHEDULE E-8

ENERGY PAYMENT TO QUALIFYING FACILITIES
 GULF POWER COMPANY
 ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010

(1) MONTH	(2) PURCHASED FROM:	(3) TYPE AND SCHEDULE	(4) TOTAL KWH PURCHASED	(5) KWH FOR OTHER UTILITIES	(6) KWH FOR INTERRUPTIBLE	(7) KWH FOR FIRM	(8) ¢/KWH		(9) TOTAL \$ FOR FUEL ADJ.
							(A) FUEL COST	(B) TOTAL COST	
JANUARY		COG-1				None			
FEBRUARY		COG-1				None			
MARCH		COG-1				None			
APRIL		COG-1				None			
MAY		COG-1				None			
JUNE		COG-1				None			
JULY		COG-1				None			
AUGUST		COG-1				None			
SEPTEMBER		COG-1				None			
OCTOBER		COG-1				None			
NOVEMBER		COG-1				None			
DECEMBER		COG-1				None			
TOTAL			<u>0</u>				<u>0</u>		<u>0</u>

SCHEDULE E-9
Page 1 of 2

ECONOMY ENERGY PURCHASES
GULF POWER COMPANY
ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010

(1)	(2)	(3)	(4)	(5)
MONTH		TOTAL KWH	TRANSACTION COST	TOTAL \$ FOR
LINE	TYPE & SCHEDULE	PURCHASED	¢ / KWH	FUEL ADJ.
JANUARY				
1	Southern Co. Interchange	165,767,000	4.08	6,761,000
2	UPS / Separated Purchases	3,306,000	4.08	135,000
3	Economy Energy	2,302,000	4.39	101,000
4	Other Purchases	7,556,000	5.39	407,000
5	PPA Energy Savings	0	#N/A	(1,083,000)
6	TOTAL ESTIMATED PURCHASES	178,931,000	3.53	6,321,000
FEBRUARY				
1	Southern Co. Interchange	63,044,000	3.96	2,499,000
2	UPS / Separated Purchases	2,519,000	4.13	104,000
3	Economy Energy	2,309,000	4.46	103,000
4	Other Purchases	7,091,000	5.43	385,000
5	PPA Energy Savings	0	#N/A	(1,083,000)
6	TOTAL ESTIMATED PURCHASES	74,963,000	2.68	2,008,000
MARCH				
1	Southern Co. Interchange	80,481,000	3.79	3,051,000
2	UPS / Separated Purchases	4,856,000	3.77	183,000
3	Economy Energy	2,820,000	4.18	118,000
4	Other Purchases	2,277,000	5.09	116,000
5	PPA Energy Savings	0	#N/A	(1,083,000)
6	TOTAL ESTIMATED PURCHASES	90,434,000	2.64	2,385,000
APRIL				
1	Southern Co. Interchange	37,960,000	3.33	1,263,000
2	UPS / Separated Purchases	2,919,000	3.12	91,000
3	Economy Energy	2,363,000	3.81	90,000
4	Other Purchases	1,650,000	5.03	83,000
5	PPA Energy Savings	0	#N/A	(1,083,000)
6	TOTAL ESTIMATED PURCHASES	44,892,000	0.99	444,000
MAY				
1	Southern Co. Interchange	45,932,000	3.62	1,663,000
2	UPS / Separated Purchases	1,204,000	3.57	43,000
3	Economy Energy	2,179,000	4.45	97,000
4	Other Purchases	3,276,000	5.04	165,000
5	PPA Energy Savings	0	#N/A	(1,083,000)
6	TOTAL ESTIMATED PURCHASES	52,591,000	1.68	885,000
JUNE				
1	Southern Co. Interchange	78,038,000	3.65	2,849,000
2	UPS / Separated Purchases	47,218,000	3.94	1,859,000
3	Economy Energy	2,190,000	4.89	107,000
4	Other Purchases	1,809,000	5.20	94,000
5	PPA Energy Savings	0	#N/A	(1,083,000)
6	TOTAL ESTIMATED PURCHASES	129,255,000	2.96	3,826,000

SCHEDULE E-9
Page 2 of 2

ECONOMY ENERGY PURCHASES
GULF POWER COMPANY
ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010

(1)	(2)	(3)	(4)	(5)
MONTH		TOTAL	TRANSACTION	TOTAL \$
LINE	TYPE & SCHEDULE	KWH PURCHASED	COST ¢ / KWH	FOR FUEL ADJ.
JULY				
1	Southern Co. Interchange	50,154,000	4.51	2,263,000
2	UPS / Separated Purchases	45,728,000	4.52	2,065,000
3	Economy Energy	2,232,000	5.56	124,000
4	Other Purchases	38,145,000	5.40	2,061,000
5	PPA Energy Savings	0	#N/A	(1,083,000)
6	TOTAL ESTIMATED PURCHASES	136,259,000	3.99	5,430,000
AUGUST				
1	Southern Co. Interchange	45,357,000	4.03	1,827,000
2	UPS / Separated Purchases	45,726,000	4.37	1,999,000
3	Economy Energy	2,724,000	5.65	154,000
4	Other Purchases	43,191,000	5.61	2,422,000
5	PPA Energy Savings	0	#N/A	(1,083,000)
6	TOTAL ESTIMATED PURCHASES	136,998,000	3.88	5,319,000
SEPTEMBER				
1	Southern Co. Interchange	48,694,000	3.81	1,853,000
2	UPS / Separated Purchases	42,675,000	3.99	1,703,000
3	Economy Energy	2,309,000	4.72	109,000
4	Other Purchases	15,308,000	5.46	836,000
5	PPA Energy Savings	0	#N/A	(1,083,000)
6	TOTAL ESTIMATED PURCHASES	108,986,000	3.14	3,418,000
OCTOBER				
1	Southern Co. Interchange	23,307,000	3.40	793,000
2	UPS / Separated Purchases	26,403,000	3.47	916,000
3	Economy Energy	2,681,000	4.33	116,000
4	Other Purchases	1,607,000	5.41	87,000
5	PPA Energy Savings	0	#N/A	(1,083,000)
6	TOTAL ESTIMATED PURCHASES	53,998,000	1.54	829,000
NOVEMBER				
1	Southern Co. Interchange	42,762,000	3.80	1,625,000
2	UPS / Separated Purchases	40,427,000	3.84	1,551,000
3	Economy Energy	2,174,000	4.14	90,000
4	Other Purchases	2,479,000	5.73	142,000
5	PPA Energy Savings	0	#N/A	(1,083,000)
6	TOTAL ESTIMATED PURCHASES	87,842,000	2.65	2,325,000
DECEMBER				
1	Southern Co. Interchange	61,133,000	4.04	2,469,000
2	UPS / Separated Purchases	47,827,000	4.10	1,960,000
3	Economy Energy	1,767,000	4.47	79,000
4	Other Purchases	1,625,000	6.09	99,000
5	PPA Energy Savings	0	#N/A	(1,087,000)
6	TOTAL ESTIMATED PURCHASES	112,352,000	3.13	3,520,000
TOTAL FOR PERIOD				
1	Southern Co. Interchange	742,629,000	3.89	28,916,000
2	UPS / Separated Purchases	310,808,000	4.06	12,609,000
3	Economy Energy	28,050,000	4.59	1,288,000
4	Other Purchases	126,014,000	5.47	6,897,000
5	PPA Energy Savings	0	#N/A	(13,000,000)
6	TOTAL ESTIMATED PURCHASES	1,207,501,000	3.04	36,710,000

SCHEDULE E-10

**GULF POWER COMPANY
 RESIDENTIAL BILL COMPARISON
 FOR MONTHLY USAGE OF 1000 KWH
 ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010**

	Current Approved Jul. 09 - Dec. 09 (\$/1000 kWh)	Proposed Jan. 10 - Dec. 10 (\$/1000 kWh)	Difference from Current (\$)	Difference from Current (%)
Base Rate	\$ 49.30	\$ 49.30	\$ -	0.0%
Fuel Cost Recovery	57.58	53.71	(3.87)	-6.7%
Capacity Cost Recovery	3.35	5.02	1.67	49.9%
Energy Conservation Cost Recovery *	0.85	0.85	-	0.0%
Environmental Cost Recovery	7.35	13.91	6.56	89.3%
Subtotal	\$ 118.43	\$ 122.79	\$ 4.36	3.7%
Gross Receipts Tax	3.04	3.15	0.11	3.6%
Total	\$ 121.47	\$ 125.94	\$ 4.47	3.7%

* For purposes of this comparison, the Energy Conservation factor has not yet been updated. The proposed 2010 Energy Conservation factor will be updated and filed with the FPSC on September 11, 2009.

SCHEDULE E-11

**ESTIMATED AS-AVAILABLE AVOIDED ENERGY COST
GULF POWER COMPANY
ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010**

	<u>TOTAL</u> <u>¢ / KWH</u>
2010 JANUARY	4.145
FEBRUARY	4.145
MARCH	4.145
APRIL	4.816
MAY	4.816
JUNE	4.816
JULY	4.816
AUGUST	4.816
SEPTEMBER	4.816
OCTOBER	4.816
NOVEMBER	4.145
DECEMBER	4.145
2011 JANUARY	4.528
FEBRUARY	4.528
MARCH	4.528
APRIL	5.464
MAY	5.464
JUNE	5.464
JULY	5.464
AUGUST	5.464
SEPTEMBER	5.464
OCTOBER	5.464
NOVEMBER	4.528
DECEMBER	4.528

SCHEDULE H1

GENERATING SYSTEM COMPARATIVE DATA BY FUEL TYPE
 GULF POWER COMPANY
 ESTIMATED FOR THE PERIOD OF: JANUARY 2010 - DECEMBER 2010

LINE	LINE DESCRIPTION	2007	2008	2009	2010	% Change		
						2007 to 2008	2008 to 2009	2009 to 2010
FUEL COST OF SYSTEM NET GENERATION (\$)								
1	LIGHTER OIL (B.L.)	1,191,575	1,069,815	1,772,426	341,742	(10.22)	65.68	(80.72)
2	COAL	408,147,689	380,263,720	564,943,287	554,756,105	(6.83)	48.57	(1.80)
3	COAL at Scherer	36,188,584	29,281,559	35,472,672	28,740,327	(19.09)	21.14	(18.98)
4	GAS	138,136,699	215,174,969	209,618,247	86,398,515	55.77	(2.58)	(58.78)
5	GAS (B.L.)	650,220	625,887	401,781	0	(3.74)	(35.81)	(100.00)
6	LANDFILL GAS	0	0	0	0	0.00	0.00	0.00
7	OTHER - C.T.	48,647	214,596	0	0	341.13	(100.00)	0.00
8	OTHER GENERATION	4,306,906	2,920,047	6,322,495	5,841,400	(32.20)	116.52	(7.61)
9	TOTAL (\$)	588,670,320	629,550,593	818,530,908	876,078,089	6.94	30.02	(17.40)
SYSTEM NET GENERATION (MWH)								
10	COAL	15,849,960	14,715,720	13,836,410	12,370,288	(7.16)	(5.98)	(10.60)
11	GAS	1,679,290	2,869,550	2,376,890	1,609,503	70.88	(17.17)	(32.29)
12	LANDFILL GAS	0	0	0	0	0.00	0.00	0.00
13	OTHER - C.T.	280	740	0	0	164.29	(100.00)	0.00
14	OTHER GENERATION	112,540	75,290	112,540	112,551	(33.10)	49.48	0.01
15	TOTAL (MWH)	17,642,070	17,661,300	16,325,840	14,092,342	0.11	(7.56)	(13.68)
UNITS OF FUEL BURNED								
16	LIGHTER OIL (BBL)	13,791	12,591	11,478	4,612	(8.70)	(8.84)	(59.82)
17	COAL excl. Scherer (TON)	6,249,582	5,864,125	5,512,917	5,205,722	(6.17)	(5.99)	(5.57)
18	GAS (MCF)	12,206,589	20,411,669	16,564,633	12,057,632	67.22	(18.85)	(27.21)
19	OTHER - C.T. (BBL)	692	2,768	0	0	300.00	(100.00)	0.00
BTU'S BURNED (MMBTU)								
20	COAL + GAS B.L. + OIL B.L.	162,746,967	149,864,972	143,434,955	131,513,652	(7.92)	(4.29)	(8.31)
21	GAS - Generation	12,502,331	20,953,690	17,029,543	12,419,365	67.60	(18.73)	(27.07)
22	OTHER - C.T.	4,051	16,204	0	0	300.00	(100.00)	0.00
23	TOTAL (MMBTU)	175,253,349	170,834,866	160,464,498	143,933,017	(2.52)	(6.07)	(10.30)
GENERATION MIX (% MWH)								
24	COAL + GAS B.L. + OIL B.L.	89.84	83.32	84.75	87.78	(7.26)	1.72	3.58
25	GAS - Generation	9.52	16.25	14.56	11.42	70.69	(10.40)	(21.57)
26	LANDFILL GAS	0	0	0	0	0.00	0.00	0.00
26	OTHER - C.T.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	OTHER GENERATION	0.64	0.43	0.69	0.80	(32.81)	60.47	15.94
28	TOTAL (% MWH)	100.00	100.00	100.00	100.00	0.00	0.00	0.00
FUEL COST PER UNIT								
29	LIGHTER OIL B.L. (\$/BBL)	86.40	84.96	154.42	74.11	(1.67)	81.76	(52.01)
30	COAL (\$/TON)	65.31	64.85	102.48	106.57	(0.70)	58.03	3.99
31	GAS +B.L. (\$/MCF)	11.37	10.57	12.68	7.17	(7.04)	19.96	(43.45)
32	OTHER - C.T.	70.31	77.54	#N/A	#N/A	10.28	#N/A	#N/A
FUEL COST (\$)/MMBTU								
33	COAL + GAS B.L. + OIL B.L.	2.74	2.74	4.20	4.44	0.00	53.28	5.71
34	GAS - Generation	11.05	10.27	12.31	6.96	(7.06)	19.86	(43.46)
35	OTHER - C.T.	12.01	13.24	#N/A	#N/A	10.24	#N/A	#N/A
36	TOTAL (\$/MMBTU)	3.33	3.67	5.06	4.66	10.21	37.87	(7.91)
BTU BURNED / KWH								
37	COAL + GAS B.L. + OIL B.L.	10,268	10,184	10,366	10,631	(0.82)	1.79	2.56
38	GAS - Generation	7,445	7,302	7,165	7,716	(1.92)	(1.88)	7.69
39	OTHER - C.T.	14,468	21,897	#N/A	#N/A	51.35	#N/A	#N/A
40	TOTAL (BTU/KWH)	9,998	9,714	9,897	10,296	(2.84)	1.88	4.05
FUEL COST (¢ / KWH)								
41	COAL + GAS B.L. + OIL B.L.	2.82	2.79	4.36	4.72	(1.06)	56.27	8.26
42	GAS - Generation	8.23	7.50	8.82	5.37	(8.87)	17.60	(39.12)
43	LANDFILL GAS	0	0	0	0	0.00	0.00	0.00
43	OTHER - C.T.	17.37	29.00	#N/A	#N/A	66.95	#N/A	#N/A
44	OTHER GENERATION	3.83	3.88	5.62	5.19	1.31	44.85	(7.65)
45	TOTAL (¢ / KWH)	3.34	3.56	5.01	4.80	6.59	40.73	(4.19)

SCHEDULE 12

Schedule 12 deleted in its entirety

**Projected Purchased Power Capacity Payments / (Receipts)
Gulf Power Company
For January 2010 - December 2010**

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
1 Projected IIC Payments / (Receipts) (\$)	(67,841)	116,642	(282,759)	39,519	103,925	1,305,996	3,898,165	2,498,683	1,617,956	145,967	85,293	(35,537)	9,426,009
2 Other Capacity Payments / (Receipts) (\$)	1,503,004	1,503,004	1,233,854	1,234,854	2,423,804	6,556,004	6,555,004	6,556,004	6,556,004	1,756,004	1,756,004	1,756,004	39,389,548
3 Projected Transmission Revenue	(8,000)	(9,000)	(7,000)	(7,000)	(7,000)	(5,000)	(5,000)	(6,000)	(5,000)	(8,000)	(9,000)	(10,000)	(86,000)
4 Total Projected Capacity Payments / (Receipts) (Line 1 + 2 + 3) (\$)	1,427,163	1,610,646	944,095	1,267,373	2,520,729	7,857,000	10,448,169	9,048,687	8,168,960	1,893,971	1,832,297	1,710,467	48,729,557
5 Jurisdictional %	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160
6 Projected Jurisdictional Capacity Payments / (Receipts) (Line 4 x Line 5) (\$)	1,376,093	1,553,011	910,312	1,222,021	2,430,527	7,575,845	10,074,292	8,724,889	7,876,642	1,826,197	1,766,730	1,649,260	46,985,819
7 True-Up (\$)													1,107,410
8 Total Jurisdictional Amount to be Recovered (Line 6 + Line 7) (\$)													48,093,229
9 Revenue Tax Multiplier													1.00072
10 Total Recoverable Capacity Payments / (Receipts) (Line 8 x Line 9) (\$)													48,127,856

Calculation of Jurisdictional % *

	<u>12 CP KW</u>	<u>%</u>
FPSC	1,883,605.48	96.42160%
FERC	69,904.37	3.57840%
Total	1,953,509.85	100.00000%

* Based on 2006 Actual Data

SCHEDULE CCE-1A

**PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF TRUE-UP
GULF POWER COMPANY
TO BE INCLUDED IN THE PERIOD JANUARY 2010 - DECEMBER 2010**

1	Estimated over/(under)-recovery, January 2009 - December 2009 (Schedule CCE-1B, Line 15)	(\$1,787,568)
2	Final True-Up, January 2008 - December 2008 (Exhibit No.____(RWD-1), filed March 9, 2009)	<u>680,158</u>
3	Total Over/(Under)-Recovery (Line 1 & 2) (To be included in January 2010 - December 2010)	<u>(\$1,107,410)</u>
4	Jurisdictional KWH sales, January 2010 - December 2010	<u>11,240,618,000</u>
5	True-up Factor (Line 3 / Line 4) x 100 (¢/KWH)	<u><u>0.0099</u></u>

**PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF ESTIMATED TRUE-UP AMOUNT
GULF POWER COMPANY
FOR THE PERIOD JANUARY 2009 - DECEMBER 2009**

	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Estimated July	Estimated August	Estimated September	Estimated October	Estimated November	Estimated December	Total
1 IIC Payments/(Receipts) (\$)	1,095,062	474,898	259,161	317,225	472,847	570,280	3,258,284	2,606,444	1,624,791	162,180	68,953	84,784	10,954,909
2 Other Capacity Payments / (Receipts) (\$)	0	0	0	0	0	5,322,362	5,302,400	5,302,400	5,302,400	591,400	590,400	590,400	23,001,762
3 Transmission Revenue (\$)	(10,415)	(6,221)	(9,155)	(4,967)	(6,129)	(24,621)	(6,000)	(9,000)	(6,000)	(10,000)	(12,000)	(13,000)	(117,507)
4 Total Capacity Payments/(Receipts) (\$)	1,084,647	468,677	250,006	312,258	466,719	5,868,021	8,554,684	7,899,844	6,921,191	743,580	647,353	662,184	33,879,164
5 Jurisdictional %	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160
6 Jurisdictional Capacity Payments/(Receipts) (Line 4 x Line 5) (\$)	1,045,834	451,906	241,060	301,084	450,018	5,658,040	8,248,563	7,617,156	6,673,523	716,972	624,188	638,488	32,666,832
7 Retail KWH Sales							1,155,743,000	1,152,972,000	988,922,000	849,588,000	750,196,000	867,182,000	
8 Purchased Power Capacity Cost Recovery Factor (¢/KWH)							0.285	0.285	0.285	0.285	0.285	0.285	
9 Capacity Cost Recovery Revenues (Line 7 x Line 8/100) (\$)	2,396,712	2,152,753	2,118,140	2,153,261	2,602,977	3,407,823	3,293,868	3,285,970	2,818,428	2,421,326	2,138,059	2,471,469	31,260,806
10 Revenue Taxes (Line 9 x .00072) (\$)	1,726	1,550	1,525	1,550	1,874	2,454	2,372	2,366	2,029	1,743	1,539	1,779	22,508
11 True-Up Provision (\$)	(30,616)	(30,616)	(30,616)	(30,616)	(30,616)	(30,616)	(30,616)	(30,616)	(30,616)	(30,616)	(30,616)	(30,616)	(367,388)
12 Capacity Cost Recovery Revenues net of Revenue Taxes (Line 9 - Line 10 + Line 11) (\$)	2,364,370	2,120,587	2,085,999	2,121,115	2,570,487	3,374,753	3,260,880	3,252,988	2,785,783	2,388,967	2,105,904	2,439,078	30,870,910
13 Over/(Under) Recovery (Line 12 - Line 6) (\$)	1,318,536	1,668,681	1,844,939	1,820,031	2,120,469	(2,283,287)	(4,987,683)	(4,364,168)	(3,887,740)	1,671,995	1,481,715	1,800,589	(1,795,922)
14 Interest Provision (\$)	547	1,613	2,331	2,442	2,386	2,201	1,319	(37)	(1,232)	(1,547)	(1,078)	(591)	8,354
15 Total Estimated True-Up for the Period January 2009 - December 2009 (Line 13 + Line 14) (\$)													(1,787,568)
NOTE: Interest is Calculated for July through December at June 2009 monthly rate of													0.0292%
16 Beginning Balance True-Up & Interest Provision (\$)	312,771	1,662,470	3,363,380	5,241,266	7,094,355	9,247,826	6,997,356	2,041,608	(2,291,981)	(6,150,337)	(4,449,273)	(2,938,020)	312,771
17 True-Up Collected/(Refunded) (\$)	30,616	30,616	30,616	30,616	30,616	30,616	30,616	30,616	30,616	30,616	30,616	30,616	367,388
18 Adjustment (\$)	0	0	0	0	0	0	0	0	0	0	0	0	0
19 End of Period TOTAL Net True-Up (Lines 13 + 14 + 16 + 17 + 18) (\$)	1,662,470	3,363,380	5,241,266	7,094,355	9,247,826	6,997,356	2,041,608	(2,291,981)	(6,150,337)	(4,449,273)	(2,938,020)	(1,107,410)	(1,107,410)

Calculation of Purchased Power Capacity Cost Recovery Factors
Gulf Power Company
For January 2010 - December 2010

Rate Class	A	B	C	D	E	F	G	H	I
Average 12 CP Load Factor at Meter	Projected KWH Sales at Meter	Projected KWH Sales at Meter	Projected Avg 12 CP KW at Meter	Demand Loss Expansion Factor	Energy Loss Expansion Factor	Projected KWH Sales at Generation	Projected Avg 12 CP KW at Generation	Projected KWH Sales at Generation	Percentage of 12 CP KW Demand at Generation
	5,571,241,000	1,096,142,86	1,00486476	1,00530097	5,600,773,981	1,101,475,33	49.79563%	58.83889%	
RS, RSVF	58.020395%	1,096,142.86	1,00486476	1,00530097	5,600,773,981	1,101,475.33	49.79563%	58.83889%	
GS	63.781436%	313,549,000	56,118.62	1,00485887	1,00529775	315,210,104	56,391.29	2.80248%	3.01232%
GSD, GSDT, GSTOU	75.860452%	2,435,322,000	366,468.68	1,00470565	1,00516604	2,447,902,971	368,193.15	21.76393%	19.66823%
LP, LPT	86.886296%	1,885,643,000	247,744.54	0.98422595	0.98911989	1,865,126,997	243,836.61	16.58256%	13.02532%
PX, PXT, RTP, SBS	104.683592%	883,147,000	96,305.32	0.97443817	0.98057253	865,989,688	93,843.58	7.69938%	5.01296%
OS - I / II	321.885641%	115,537,000	4,097.47	1,00468934	1,00529485	116,148,751	4,116.68	1.03266%	0.21991%
OS-III	99.718369%	36,179,000	4,141.69	1,00511513	1,00526827	36,369,601	4,162.88	0.32336%	0.22237%
TOTAL	11,240,618,000	1,871,019.18	11,247,522,093	1,872,019.52	11,247,522,093	1,872,019.52	100.00000%	100.00000%	

Notes:
Col A - Average 12 CP load factor based on actual 2006 load research data.
Col C - 8,760 is the number of hours in 12 months.

**Calculation of Purchased Power Capacity Cost Recovery Factors
Gulf Power Company
For January 2010 - December 2010**

<u>Rate Class</u>	<u>A</u> Jan - Dec 10 Percentage of KWH Sales <u>at Generation</u> Page 1, Col H	<u>B</u> Percentage of 12 CP KW Demand <u>at Generation</u> Page 1, Col I	<u>C</u> Energy- Related <u>Costs</u> (\$)	<u>D</u> Demand- Related <u>Costs</u> (\$)	<u>E</u> Total Capacity <u>Costs</u> (\$) Col C + Col D	<u>F</u> Jan - Dec 10 Projected KWH Sales <u>at Meter</u> Page 1, Col B	<u>G</u> Capacity Cost Recovery <u>Factors</u> (¢ / KWH) Col E / Col F x 100
RS, RSVP	49.79563%	58.83889%	1,843,505	26,139,597	27,983,102	5,571,241,000	0.502
GS	2.80248%	3.01232%	103,752	1,338,245	1,441,997	313,549,000	0.460
GSD, GSDT, GSTOU	21.76393%	19.66823%	805,732	8,737,751	9,543,483	2,435,322,000	0.392
LP, LPT	16.58256%	13.02532%	613,910	5,786,591	6,400,501	1,885,643,000	0.339
PX, PXT, RTP, SBS	7.69938%	5.01296%	285,042	2,227,043	2,512,085	883,147,000	0.284
OS - I / II	1.03266%	0.21991%	38,231	97,697	135,928	115,537,000	0.118
OS-III	<u>0.32336%</u>	<u>0.22237%</u>	<u>11,971</u>	<u>98,789</u>	<u>110,760</u>	<u>36,179,000</u>	0.306
TOTAL	<u>100.00000%</u>	<u>100.00000%</u>	<u>\$3,702,143</u>	<u>\$44,425,713</u>	<u>\$48,127,856</u>	<u>11,240,618,000</u>	<u>0.428</u>

Notes:

Col C - (Recoverable Amount from Schedule CCE-1, line 9) / 13 x Col A

Col D - (Recoverable Amount from Schedule CCE-1, line 9) x 12 / 13 x Col B

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 090001-EI

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

Revised: October 30, 2009



1 GULF POWER COMPANY

2 Before the Florida Public Service Commission

3 Prepared Direct Testimony and Exhibit of

4 H. R. Ball

5 Docket No. 090001-EI

6 Date of Filing: October 30, 2009

7 Q. Please state your name and business address.

8 A. My name is H. R. Ball. My business address is One Energy Place,
9 Pensacola, Florida 32520-0335. I am the Fuel Manager for Gulf Power
10 Company.

11

12 Q. Please briefly describe your educational background and business
13 experience.

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

1 electric system. I transferred to my current position as Fuel Manager for
2 Gulf Power Company in 2003.

3

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

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

11

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

13 A. The purpose of my testimony is to support Gulf Power Company's
14 projection of fuel expenses, net power transaction expense, and
15 purchased power capacity costs for the period January 1, 2010 through
16 December 31, 2010. It is also my intent to be available to answer
17 questions that may arise among the parties to this docket concerning Gulf
18 Power Company's fuel and net power transaction expenses and
19 purchased power capacity costs.

20

21 Q. Have you prepared any exhibits that contain information to which you will
22 refer in your testimony?

23 A. Yes, I have ~~three~~four separate exhibits I am sponsoring as part of this
24 testimony. My first exhibit (HRB-2) consists of a schedule filed as an
25 attachment to my pre-filed testimony that compares actual and projected

1 fuel cost of net generation for the past ten years. The purpose of this
2 exhibit is to indicate the accuracy of Gulf's short-term fuel expense
3 projections. The second exhibit (HRB-3) I am sponsoring as part of this
4 testimony is Gulf Power Company's Hedging Information Report filed with
5 the Commission Clerk on August 14, 2009 and assigned Document
6 Number DN 08487-09. The purpose of this second exhibit is to comply
7 with Order No. PSC-08-0316-PAA-EI and details Gulf Power's natural gas
8 hedging transactions for January through July 2009. The third exhibit
9 (HRB-4) I am sponsoring is Gulf Power Company's "Risk Management
10 Plan for Fuel Procurement" filed with the Commission Clerk pursuant to a
11 separate request for confidential classification on August 4, 2009. The
12 risk management plan sets forth Gulf Power's fuel procurement strategy
13 and related hedging plan for the upcoming calendar year. Through its
14 petition in this docket, Gulf Power is seeking the Commission's approval
15 of the Company's "Risk Management Plan for Fuel Procurement" as part
16 of this proceeding. ~~The fourth exhibit (HRB-5) I am sponsoring is a~~
17 ~~project description of the Perdido Landfill Gas to Energy Facility. Through~~
18 ~~its petition in this docket Gulf Power is seeking recovery of the cost of~~
19 ~~owning and operating this facility through the fuel cost recovery clause.~~

20
21 Counsel: We ask that Mr. Ball's ~~three~~four exhibits as just
22 described be marked for identification as Exhibit Nos. _____
23 (HRB-2), _____ (HRB-3), and _____ (HRB-4), and
24 ~~(HRB-5)~~ respectively.
25

1 Q. Has Gulf Power Company made any significant changes to its methods
2 for projecting fuel expenses, net power transaction expense, and
3 purchased power capacity costs for this period?

4 A. No. Gulf has been consistent in how it projects annual fuel expenses, net
5 power transactions, and capacity costs.
6

7 Q. What is Gulf's projected recoverable total fuel and net power transactions
8 cost for the January 2010 through December 2010 recovery period?

9 A. Gulf's projected total fuel and net power transaction cost for the period is
10 \$607,844,089~~608,374,566~~. This projected amount is captured in the
11 exhibit to Witness Dodd's testimony, Schedule E-1, line 22.
12

13 Q. How does the total projected fuel and net power transactions cost for the
14 2010 period compare to the updated projection of fuel cost for the same
15 period in 2009?

16 A. The total updated cost of fuel and net power transactions for 2009,
17 reflected on Schedule E-1B-1 line 21 of Witness Dodd's testimony filed in
18 this docket on August 4, 2009, is projected to be \$563,071,299. The
19 projected total cost of fuel and net power transactions for the 2010 period
20 reflects an increase of \$44,772,790~~45,303,267~~ or 7.958~~8.05~~% over the
21 same period in 2009. On a fuel cost per KWH basis, the 2009 projected
22 cost is 4.6605 cents per KWH and the 2010 projected fuel cost is 4.9141
23 4.9184 cents per KWH, an increase of 0.25360~~2579~~ cents per KWH or
24 5.445~~53~~%.
25

1 Q. What is Gulf's projected recoverable fuel cost of net generation for the
2 period?

3 A. The projected total cost of fuel to meet system net generation needs in
4 2010 is \$670,236,689. The projection of fuel cost of system net
5 generation for 2010 is captured in the exhibit to Witness Dodd's
6 testimony, Schedule E-1, line 1.

7
8 Q. How does the total projected fuel cost of net generation for the 2010
9 period compare to the updated projection of fuel cost for the same period
10 in 2009?

11 A. The total updated cost of fuel to meet 2009 system net generation needs,
12 reflected on Schedule E-1B-1, line 1 of Witness Dodd's testimony filed in
13 this docket on August 4, 2009, is projected to be \$552,784,053. The
14 projected total cost of fuel to meet system net generation needs for the
15 2010 period reflects an increase of \$117,452,636 or 21.25% over the
16 same period in 2009. Total system net generation in 2010 is projected to
17 be 13,979,791,000 KWH, which is 214,099,400 KWH or 1.56% higher
18 than is currently projected for 2009. On a fuel cost per KWH basis, the
19 2009 projected cost is 4.0157 cents per KWH and the 2010 projected fuel
20 cost is 4.7943 cents per KWH, an increase of 0.7786 cents per KWH or
21 19.39%. This higher projected total fuel expense and average per unit
22 fuel cost is the result of an increased cost of coal and natural gas for the
23 period. Weighted average coal price including boiler lighter fuel for 2009
24 as reflected on Schedule E-3, line 31 of Witness Dodd's testimony filed in
25 this docket on August 4, 2009, is projected to be 3.91 \$/MMBTU.

1 Weighted average coal price including boiler lighter fuel for 2010, as
2 reflected on Schedule E-3, line 34 of the exhibit to Witness Dodd's
3 testimony, is projected to be 4.44 \$/MMBTU. This reflects a cost
4 increase of 0.53 \$/MMBTU or 13.55%. The majority of Gulf's coal supply
5 agreements expired at the end of 2008 and these were replaced with
6 commitments for new multi-year contracts with two year terms that expire
7 at the end of 2010. Gulf's coal supply agreements have firm price and
8 quantity commitments with the contract coal suppliers and these
9 agreements will cover all of Gulf's 2010 projected coal burn needs. A
10 higher percentage of Gulf's 2010 coal supply needs are being filled with
11 these new coal supply agreements than was the case in 2009. Weighted
12 average natural gas price for 2009, as reflected on Schedule E-3, line 32
13 of the exhibit to Witness Dodd's testimony filed in this docket on August 4,
14 2009, is projected to be 5.18 \$/MMBTU. Weighted average natural gas
15 price for 2010, as reflected on Schedule E-3, line 35 of the exhibit to
16 Witness Dodd's testimony, is projected to be 6.96 \$/MMBTU. This is an
17 increase in price of 1.78 \$/MMBTU or 34.36% and reflects forecasted
18 higher market prices for natural gas in 2010.

19
20 Q. Does the 2010 projection of fuel cost of net generation reflect any major
21 changes in Gulf's fuel procurement program for this period?

22 A. No. As in the past, Gulf's coal requirements are purchased in the market
23 through the Request for Proposal (RFP) process that has been used for
24 many years by Southern Company Services - Fuel Services as agent for
25 Gulf. Coal will be delivered under existing coal transportation contracts.

1 Natural gas requirements will be purchased from various suppliers using
2 firm quantity agreements with market pricing for base needs and on the
3 daily spot market when necessary. Natural gas transportation will be
4 secured using a combination of firm and spot transportation agreements.
5 Details of Gulf's fuel procurement strategy are included in the "Risk
6 Management Plan for Fuel Procurement" filed as exhibit _____ (HRB-4) to
7 this testimony.
8

9 Q. What actions does Gulf take to procure natural gas and natural gas
10 transportation for its units at competitive prices for both long-term and
11 short-term deliveries?

12 A. Gulf procures natural gas using both long and short-term agreements for
13 gas supply at market-based prices. Gulf secures gas transportation for
14 non-peaking units using long-term agreements for firm transportation
15 capacity and for peaking units using interruptible transportation, released
16 seasonal firm transportation, or delivered natural gas agreements.
17

18 Q. What fuel price hedging programs will be utilized by Gulf to protect the
19 customer from fuel price volatility?

20 A. As detailed in Gulf's "Risk Management Plan for Fuel Procurement",
21 natural gas prices will be hedged financially using instruments that
22 conform to Gulf's established guidelines for hedging activity. Coal supply
23 and transportation prices will be hedged physically using term agreements
24 with either fixed pricing or term pricing with escalation terms tied to
25 various published market price indexes. Gulf's "Risk Management Plan

1 for Fuel Procurement" is a reasonable and appropriate strategy for
2 protecting the customer from fuel price volatility while maintaining a
3 reliable supply of fuel for the operation of its electric generating resources.
4

5 Q. What are the results of Gulf's fuel price hedging program for the period
6 January 2009 through July 2009?

7 A. Gulf's coal price hedging program has successfully managed the price it
8 pays for coal under its coal supply agreements for this period. Gulf has
9 also had financial hedges in place during the period to hedge the price of
10 natural gas. These financial hedges have been effective in fixing the price
11 of a percentage of Gulf's gas burn during the period. Pursuant to Order
12 No. PSC-08-0316-PAA-EI, Gulf filed a "Hedging Information Report" with
13 the Commission on August 14, 2009 detailing its natural gas hedging
14 transactions for January 2009 through July 2009. As noted earlier, I am
15 sponsoring this report as exhibit _____ (HRB-3) to my testimony in this
16 docket.
17

18 Q. Has Gulf adequately mitigated the price risk of natural gas and purchased
19 power for 2009 through 2010?

20 A. Gulf has adequate natural gas financial hedges in place for 2009 to
21 mitigate price risk. Gulf currently has natural gas hedges in place for
22 2010 and continues to look for opportunities to enter into financial hedges
23 that we believe will provide price stability to the customer and protect
24 against unanticipated dramatic price increases in the natural gas market.
25

1 Q. Should recent changes in the market price for natural gas impact the
2 percentage of Gulf's natural gas requirements that Gulf plans to hedge?
3 A. Gulf has a disciplined process in place to evaluate the benefits of gas
4 hedging transactions prior to entering into financial hedges that consider
5 both market price and anticipated burn. The focus of this process is to
6 mitigate the price volatility and risk of natural gas purchases for the
7 customer and not to attempt to speculate in the natural gas market. Gulf's
8 current strategy is to have gas hedges in place that do not exceed the
9 anticipated gas burn at its Smith Unit 3 combined cycle plant. Gas burn
10 requirements change as the market price of natural gas changes due to
11 the economic dispatch process utilized by the Southern System
12 generation pool in accordance with the IIC. Typically, as gas prices
13 increase, anticipated gas burn decreases and the percentage of gas
14 requirements that are currently hedged financially increases. Gulf will
15 continue to evaluate the performance of this hedging strategy and will
16 make adjustments within the guidelines of the currently approved hedging
17 program when needed.

18
19 ~~Q. Is Gulf seeking recovery of any other generation costs not previously~~
20 ~~included in this docket?~~
21 ~~A. Yes. Gulf is requesting recovery through the Fuel Cost Recovery Clause~~
22 ~~of the cost of constructing and operating a 3.2 MW renewable energy~~
23 ~~facility identified as the Perdido Landfill Gas to Energy Facility located in~~
24 ~~Escambia County, Florida. Gulf has entered into agreements with~~
25 ~~Escambia County for the purchase of landfill gas as fuel for the facility and~~

1 to lease property to locate the facility equipment on the site of the Perdido
2 Landfill. Gulf has also entered into an agreement with LFG Technologies
3 Development, LLC for the design, procurement, construction, operation,
4 and maintenance of the facility. The total capital investment in the project
5 is expected to be approximately \$5 million. A more detailed description of
6 the project and breakdown of cost is filed as Exhibit _____ (HRB-5) to
7 this testimony.
8

9 Q. ~~What is the projected total recoverable cost of the Perdido Landfill Gas to~~
10 ~~Energy Project that is included in the projection period?~~

11 A. ~~The total projected revenue requirements and fuel cost for the 2010~~
12 ~~recovery period is \$1,258,514 and the total annual projected generation is~~
13 ~~14,236,000 KWH. This equates to 8.8404 cents per KWH. This total~~
14 ~~projected cost for the Perdido Landfill Gas Facility for 2010 is captured in~~
15 ~~the exhibit to Witness Dodd's testimony, Schedule E-1, line 4. The cost~~
16 ~~breakdown by month is shown on Schedule E-2, line 1b and Schedule E-~~
17 ~~4, line 17 of the exhibits to Witness Dodd's testimony. The costs~~
18 ~~associated with this project were not recognized or anticipated in the level~~
19 ~~of costs used to establish Gulf Power's current base rates.~~
20

21 Q. ~~Why is Gulf seeking recovery of the cost of owning and operating the~~
22 ~~Perdido Landfill Gas Project in this docket?~~

23 A. ~~The Florida Legislature has declared that promoting the development of~~
24 ~~renewable energy resources and increasing fuel diversity through reliance~~
25 ~~on renewable generation in Florida is in the public interest. See, §§~~

1 366.01(1); 366.02(1), Florida Statutes. Gulf Power views this project as a
2 means to further these public interests while at the same time benefiting
3 the local community and providing a reliable and economic source of
4 generation for Gulf's customers. Gulf Power performed an economic
5 evaluation at the time Escambia County Florida issued its Request for
6 Proposals to determine the price Gulf Power could offer the County for its
7 landfill gas without exceeding the avoided cost of a 2014 combined cycle
8 unit. This price served as the basis for Gulf's offer in response to the
9 County's RFP. The County accepted Gulf's offer and the parties entered
10 into agreements which will result in the development of the Perdido
11 Landfill Gas to Energy Facility. This project will provide fuel diversity
12 benefits in the form of reduced dependence on coal and natural gas,
13 reduce fuel price volatility, promote renewable generation in Florida and
14 provide a dedicated source of income for Escambia County. Additionally,
15 Gulf Power expects that this project will provide approximately
16 \$23,544,108 in fuel savings to its customers over the life of the project.
17 The calculation of estimated fuel savings is shown on page 7 of Exhibit
18 (HRB-5) to this testimony.

19
20 Q. ~~Should the Commission approve recovery of the cost of owning and~~
21 ~~operating the Perdido Landfill Gas Project in this docket?~~

22 A. ~~Yes. Gulf believes that the cost of this project is appropriate for recovery~~
23 ~~in this docket under the policy articulated by this Commission in Order No.~~
24 ~~14546 issued on July 8, 1985 in Docket No. 850001-EI-B.~~

25

1 Q. What is Gulf's projected recoverable fuel cost of power sold for the
2 period?

3 A. Gulf's projected recoverable fuel cost of power sold is \$104,944,000. This
4 projected amount is captured in the exhibit to Witness Dodd's testimony,
5 Schedule E-1, line 20.
6

7 Q. How does the total projected recoverable fuel cost of power sold for the
8 2010 period compare to the projected recoverable fuel cost of power sold
9 for the same period in 2009?

10 A. The total projected recoverable fuel cost of power sold in 2009, reflected
11 on Schedule E-1B-1, line 19 of Witness Dodd's testimony filed in this
12 docket on August 4, 2009, is projected to be \$93,156,965. The projected
13 recoverable fuel cost of power sold in 2010 represents an increased credit
14 of \$11,787,035 or 12.65%. Total quantity of power sales in 2010 is
15 projected to be 2,930,560,000 KWH, which is 561,689,334 KWH or
16 16.08% less than currently projected for 2009. On a fuel cost per KWH
17 basis, the 2009 projected cost is 2.6675 cents per KWH and the 2010
18 projected fuel cost is 3.5810 cents per KWH, which is an increase of
19 0.9135 cents per KWH or 34.25%. This higher total credit to fuel expense
20 from power sales is attributed to a higher fuel reimbursement rate (cents
21 per KWH) for power sales as a result of higher projected market prices for
22 natural gas and coal. Higher fuel costs to operate Gulf's generating fleet
23 are passed on to the purchasers of power and are reflected in the higher
24 fuel cost and gains on power sales.
25

1 Q. What is Gulf's projected total cost of purchased power for the period?

2 A. Gulf's projected recoverable cost for energy purchases is \$36,710,000.

3 This projected amount is captured in the exhibit to Witness Dodd's
4 testimony, Schedule E-1, line 14.

5
6 Q. How does the total projected purchased power cost for the 2010 period
7 compare to the projected purchased power cost for the same period in
8 2009?

9 A. The total updated cost of purchased power to meet 2009 system needs,
10 reflected on Schedule E-1B-1, line 13 of Witness Dodd's testimony filed in
11 this docket on August 4, 2009, is projected to be \$54,351,693. The
12 projected cost of purchased power to meet system needs in 2010 is
13 \$17,641,693 or 32.46% less than is currently projected for 2009. The
14 total quantity of purchased power in 2010 is projected to be
15 1,207,501,000 KWH, which is 520,915,302 KWH or 30.14% lower than is
16 currently projected for 2009. On a fuel cost per KWH basis, the 2009
17 projected cost is 3.1446 cents per KWH and the 2010 projected fuel cost
18 is 3.0402 cents per KWH, which represents a decrease of 0.1044 cents
19 per KWH or 3.32%.

20
21 Q. What are Gulf's projected recoverable capacity payments for the period?

22 A. The total recoverable capacity payments for the period are \$48,127,856.

23 This amount is captured in the exhibit to Witness Dodd's testimony,
24 Schedule CCE-1, line 10. Schedule CCE-4 of Mr. Dodd's testimony lists
25 the long-term power contracts that are included for capacity cost recovery,

1 their associated capacity amounts in megawatts, and the resulting
2 capacity dollar amounts. Also included in Gulf's 2010 projection of
3 capacity cost is revenue produced by a market-based service agreement
4 between the Southern electric system operating companies and South
5 Carolina PSA. This revenue of \$42,000 is shown on Schedule CCE-4,
6 line 44 in the exhibit to Witness Dodd's testimony. The total capacity cost
7 included on Schedule CCE-4 is presented on lines 1 and 2 of Schedule
8 CCE-1.

9
10 Q. Have there been any new purchased power agreements entered into by
11 Gulf that impact the total recoverable capacity payments?

12 A. Yes, Gulf has entered into a new purchased power agreement with a term
13 expected to begin on October 1, 2009. This firm capacity purchase
14 agreement was approved for cost recovery in Docket No. 090169-EI
15 under Commission Order No. PSC-09-0534-PAA-EI. The purchased
16 power agreement is with Shell Energy North America, LP. The capacity
17 and associated costs are included on Schedule CCE-4, line 42 in the
18 exhibit to Witness Dodd's testimony. The capacity and associated costs
19 of the Shell Energy PPA are expected to be offset with fuel savings
20 derived from having this agreement in effect during the projection period.
21 The projected fuel savings are in excess of the cost of the PPA and are
22 shown on Schedule E-1, line 11 in the exhibit to Witness Dodd's
23 testimony.

24

1 Q. What are the other projected revenues that Gulf has included in its
2 capacity cost recovery clause for the period?

3 A. Gulf has included an estimate of transmission revenues in the amount of
4 \$86,000 in its capacity cost recovery projection. This amount is captured
5 in the exhibit to Witness Dodd's testimony, Schedule CCE-1, line 3.
6

7 Q. How does the total projected net capacity cost for the 2010 period
8 compare to the current estimated net capacity cost for the same period in
9 2009?

10 A. Gulf's 2010 Projected Jurisdictional Capacity Payments, found in the
11 exhibit to Witness Dodd's testimony, Schedule CCE-1, line 6, is projected
12 to be \$46,985,819. This amount is \$14,318,987 or 43.83% greater than
13 the current estimate of \$32,666,832 (Schedule CCE-1B, line 6) for 2009
14 that was filed in Mr. Dodd's estimated/actual true-up testimony in this
15 docket on August 4, 2009. This increase is primarily a result of the recent
16 addition of new purchased power agreements to meet projected additional
17 capacity needs. This includes a full year of capacity payments under the
18 Coral Power, LLC and Southern Power Company purchased power
19 agreements that began on June 1, 2009 and the addition of the new Shell
20 Energy North America, LP purchased power agreement which is expected
21 to begin on October 1, 2009.
22

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

24 A. Yes, it does.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

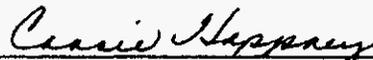
Docket No. 090001-EI

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 31st day of August, 2009



Notary Public, State of Florida at Large

Commission Number: *00719129*

Commission Expires: *25 January 2012*



**GULF POWER COMPANY
PROJECTED VS. ACTUAL FUEL COST OF SYSTEM NET GENERATION**

Cents / KWH Fuel Cost

<u>Period Ending</u>	<u>Projected⁽¹⁾</u>	<u>Actual⁽¹⁾</u>	<u>% Difference⁽¹⁾</u>
December 1999	1.5291	1.5696	2.65
December 2000	1.6048	1.6460	2.57
December 2001	1.5782	1.7218	9.10
December 2002	2.0241	2.0505	1.30
December 2003	1.9639	2.1133	7.61
December 2004	2.0936	2.3270	11.15
December 2005	2.6566	2.8817	8.47
December 2006	2.9215	3.0902	5.77
December 2007	3.3156	3.2959	(0.59)
December 2008	3.7567	4.2044	11.92
December 2009	4.0157 ⁽²⁾		
December 2010	4.7943 ⁽³⁾		

(1) Line No. 1 from FPSC Schedule A-1, December, Period To Date

(2) Line No. 1 from FPSC Schedule E-1B-1, 2009 Estimated/Actual True-Up

(3) Line No. 1 from FPSC Schedule E-1, 2010 Projection Filing

Florida Public Service Commission
Docket No. 090001-EI
GULF POWER COMPANY
Witness: H. R. Ball
Exhibit No. _____ (HRB-3)

Exhibit No. HRB-3 Gulf Power Company's Hedging Information Report was filed with the Commission Clerk on August 14, 2009 and assigned Document Number 08487-09.

Florida Public Service Commission
Docket No. 090001-EI
GULF POWER COMPANY
Witness: H. R. Ball
Exhibit No. _____ (HRB-4)

Exhibit No. HRB-4 Gulf Power Company's Risk Management Plan for Fuel Procurement was filed with the Commission Clerk on August 4, 2009 and assigned Document Number 07973-09.

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Exhibit HRB-5 deleted in its entirety

**Gulf Power Company's Revised Generic Issue Positions
Reflecting Removal of Costs Associated with the Perdido Landfill Project**

ISSUE 12: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2010 through December 2010?

GULF: \$600,624,266. (Dodd)

ISSUE 13: What are the appropriate levelized fuel cost recovery factors for the period January 2010 through December 2010?

GULF: 5.343 cents/kWh. (Dodd)

ISSUE 15: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

GULF: See table below: (Dodd)

Group	Rate Schedules*	Line Loss Multipliers	Fuel Cost Factors ¢/KWH		
			Standard	Time of Use	
				On-Peak	Off-Peak
A	RS, RSVP,GS, GSD, GSDT, GSTOU, OSIII, SBS(1)	1.00526	5.371	5.873	4.994
B	LP, LPT, SBS(2)	0.98890	5.284	5.777	4.913
C	PX, PXT, RTP, SBS(3)	0.98063	5.239	5.729	4.872
D	OSI/II	1.00529	5.215	N/A	N/A

*The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: (1) customers with a contract demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; (2) customers with a contract demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and (3) customers with a contract demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.