

State of Florida



Public Service Commission

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COMMISSION
CLERK

DATE: April 12, 2011
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Jennifer Crawford, Attorney Supervisor, Office of the General Counsel *JSC*
RE: Docket Number 110001-EI - Fuel and purchase power cost recovery clause with generating performance incentive factor.

Please place the attached discovery responses in the docket file.

JSC

DOCUMENT NUMBER-DATE

02429 APR 12 =

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and purchase power cost recovery)
clause with generating performance incentive)
factor)

Docket No: 110001-EI

Date: April 8, 2011

**FLORIDA POWER & LIGHT COMPANY'S OBJECTIONS AND RESPONSES
TO THE STAFF OF THE FLORIDA PUBLIC SERVICE COMMISSION'S
FIRST SET OF INTERROGATORIES (NOS. 1-3)**

Florida Power & Light Company ("FPL"), pursuant to Rule 1.340, Florida Rules of Civil Procedure, Rule 28-106.206, Florida Administrative Code, and Order No. PSC-11-0132-PCO-EI, submits the following Objections and Responses to the Staff of the Florida Public Service Commission's ("Staff's") First Set of Interrogatories (Nos. 1-3).

I. General Objections

FPL objects to each and every discovery request that calls for information protected by the attorney-client privilege, the work product doctrine, the accountant-client privilege, the trade secret privilege, or any other applicable privilege or protection afforded by law, whether such privilege or protection appears at the time response is first made or is later determined to be applicable for any reason. FPL in no way intends to waive any such privilege or protection. The nature of the document(s), if any, will be described in a privilege log prepared and provided by FPL.

FPL is a large corporation with employees located in many different locations. In the course of its business, FPL creates numerous documents that are not subject to Florida Public Service Commission or other governmental record retention requirements. These documents are kept in numerous locations and frequently are moved from site to site as employees change jobs or as business is reorganized. Therefore, it is possible that not every relevant document may have been consulted in developing FPL's responses to the discovery requests. Rather, these responses provide all the information that FPL obtained after a reasonable and diligent search

conducted in connection with these discovery requests. To the extent that the discovery requests propose to require more, FPL objects on the grounds that compliance would impose an undue burden or expense on FPL.

FPL objects to each discovery request to the extent that it seeks information that is not relevant to the subject matter of this docket and is not reasonably calculated to lead to the discovery of admissible evidence.

FPL objects to each and every discovery request to the extent it is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of such discovery requests. Any responses provided by FPL will be provided subject to, and without waiver of, the foregoing objection.

FPL also objects to each and every discovery request to the extent it calls for FPL to prepare information in a particular format or perform calculations or analyses not previously prepared or performed as purporting to expand FPL's obligations under applicable law.

FPL objects to providing information to the extent that such information is already in the public record before the Florida Public Service Commission and available to the requesting Party through normal procedures.

FPL objects to each and every discovery request that calls for the production of documents and/or disclosure of information from FPL Group, Inc. and any subsidiaries and/or affiliates of FPL Group, Inc. that do not deal with transactions or cost allocations between FPL and either FPL Group, Inc. or any subsidiaries and/or affiliates. Such documents and/or information do not affect FPL's rates or cost of service to FPL's customers. Therefore, those documents and/or information are irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Furthermore, FPL is the party appearing before the Florida Public Service Commission in this docket. To require any non-regulated entities to participate in

irrelevant discovery is by its very nature unduly burdensome and overbroad. Subject to, and without waiving, any other objections, FPL will respond to the extent the request pertains to FPL and FPL's rates or cost of service charged to FPL's customers. To the extent any responsive documents contain irrelevant affiliate information as well as information related to FPL and FPL's rates or cost of service charged to its customers, FPL may redact the irrelevant affiliate information from the responsive document(s).

Where any discovery request calls for production of documents, FPL objects to any production location other than the location established by FPL, at FPL's Tallahassee Office located at 215 South Monroe Street, Suite 810, Tallahassee, Florida.

FPL objects to each and every discovery request and any instructions that purport to expand FPL's obligations under applicable law.

In addition, FPL reserves its right to count discovery requests and their sub-parts, as permitted under the applicable rules of procedure, in determining whether it is obligated to respond to additional requests served by any party.

FPL expressly reserves and does not waive any and all objections it may have to the admissibility, authenticity or relevancy of the information provided in its responses.

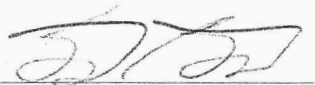
Notwithstanding any of the foregoing general objections and without waiving these objections, FPL intends in good faith to respond to Staff's discovery requests.

II. Responses

Attached hereto are FPL's non-confidential answers to Interrogatory Nos. 1-3 of Staff's First of Interrogatories consistent with its objections, together with the affidavits of the persons providing said answers. Confidential answers to Staff's Interrogatory Nos. 1-3 are being separately filed with a request for confidential classification.

R. Wade Litchfield, Esq.
Vice President and General Counsel
John T. Butler, Esq.
Managing Attorney
Scott A. Goorland, Esq.
Principal Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5633
Facsimile: (561) 691-7135

BY: _____


Scott A. Goorland
Fla. Bar No. 0066834

CERTIFICATE OF SERVICE
Docket No. 110001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by overnight delivery (*) or the United States Mail on this 4th day of April, 2011 to the following:

| | |
|--|---|
| <p>Jennifer Crawford, Esq.* Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850 jcrawford@PSC.STATE.FL.US</p> | <p>J. R. Kelly, Esq. Patricia Christensen, Esq. Charles Rehwinkel, Esq. Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, Florida 32399 Kelly.jr@leg.state.fl.us Christensen.patty@leg.state.fl.us rehwinkle.charles@leg.state.fl.us</p> |
| <p>James D. Beasley, Esq J. Jeffrey Wahlen, Esq. Ausley & McMullen Attorneys for Tampa Electric P.O. Box 391 Tallahassee, Florida 32302 jbeasley@ausley.com jwahlen@ausley.com</p> | <p>John T. Burnett, Esq./Diane M. Triplett Progress Energy Service Company, LLC P.O. Box 14042 St. Petersburg, Florida 33733-4042 john.burnett@pgnmail.com diane.triplett@pgnmail.com</p> |
| <p>John W. McWhirter, Jr., Esq McWhirter & Davidson, P.A. Attorneys for FIPUG P.O. Box 3350 Tampa, Florida 33602 jmcwhirter@mac-law.com</p> | <p>Beth Keating, Esq. Gunster Firm Attorneys for FPUC 215 So. Monroe St., Suite 618 Tallahassee, Florida 32301-1804 bkeating@gunster.com</p> |
| <p>Jeffrey A. Stone, Esq. Russell A. Badders, Esq. Beggs & Lane Attorneys for Gulf Power 501 Commendencia Street Pensacola, FL 32502 jas@beggslane.com rab@beggslane.com</p> | <p>James W. Brew, Esq / F. Alvin Taylor, Esq. Attorney for White Springs Brickfield, Burchette, Ritts & Stone, P.C 1025 Thomas Jefferson Street, NW Eighth Floor, West Tower Washington, DC 2007-5201 jbrew@bbrslaw.com ataylor@bbrslaw.com</p> |

| | |
|---|---|
| <p>Robert Scheffel Wright, Esq Jay T. LaVia, III, Esq Young van Assenderp, P.A Attorneys for Florida Retail Federation and City of Marianna 225 South Adams Street, Suite 200 Tallahassee, FL 32301 swright@yvlaw.net jlavia@yvlaw.net</p> | <p>Jon C. Moyle, Esq. and Vicki Kaufman, Esq. Keefe, Anchors Gordon & Moyle, P.A. 118 N. Gadsden St. Tallahassee, FL 32301 Co-Counsel for FIPUG vkaufman@kagmlaw.com jmoyle@kagmlaw.com</p> |
| <p>Patrick K. Wiggins AFFIRM P.O. Drawer 1657 Tallahassee, FL 32302 wigglaw@gmail.com</p> | <p>Michael Barrett Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850 MBARRETT@PSC.STATE.FL.US</p> |
| <p>Allan Jungels, Capt, USAF Utility Litigation & Negotiation Team Staff Attorney AFLOA/JACL-ULT/FLOA/JACL-ULT 139 Barnes Drive, Suite 1 Tyndall AFB, FL 32403-5317 Attorney for the Federal Executive Agencies Allan.Jungels@tyndall.af.mil</p> | |

By: 
Scott A. Goorland
Fla. Bar No. 0066834

Q. Please refer to Exhibit HRB-1, Schedule 4, pages 5-6 of 183 from Gulf Power Company's 2010 True-Up Testimony and Exhibits.

- a. Please supply a Company-specific "Natural Gas Burn Cost Variance and Hedging Effectiveness" schedule, using the same format and containing the same information as shown in Exhibit HRB-1, Schedule 4, pages 5-6 of 183, for the Company during the period from January 2003 through December 2010.
- b. Referring to the bottom of the Exhibit HRB-1, Schedule 4, pages 5-6 of 183, please include "Total" amounts, "Weighted Average Price," "Variance," and "Standard Deviation" for both "Gas Cost of Generation Actual Cost \$/MMBtu" and "Gas Cost of Generation Hedged \$/MMBtu."

A.

a. The "Natural Gas Burn Cost Variance and Hedging Effectiveness" schedule, as described in part a., is attached.

b. The "Total" amounts, "Weighted Average Price", "Variance", and "Standard Deviation" for both "Gas Cost of Generation Actual Cost \$/MMBtu" and "Gas Cost of Generation Hedged \$/MMBtu" have been incorporated within the attached "Natural Gas Burn Cost Variance and Hedging Effectiveness" schedule.

CONFIDENTIAL

Florida Power Light Company
 Docket No. 110001-EI
 Staff's 1st Set of Interrogatories
 Interrogatory No. 1
 Attachment I
 Page 1 of 2

(A) (B) (C) (D) (E) (F) (G)

| NATURAL GAS BURN COST VARIANCE AND HEDGING EFFECTIVENESS | | | | | | |
|--|----------------------------|---|-------------------------------------|-------------------------|-------------------------------------|------------------------------------|
| | NATURAL GAS UNHEDGED COSTS | NATURAL GAS HEDGING RESULTS (Hedging Results Filings) | NATURAL GAS TOTAL HEDGED COSTS (A3) | NATURAL GAS MMBTUS (A3) | COST/MMBTU (\$) W/O Hedging (B)/(E) | COST/MMBTU (\$) W/ Hedging (D)/(E) |
| 1 | January-2003 | | \$131,873,594 | 22,468,273 | | \$5.87 |
| 2 | February-2003 | | \$113,277,581 | 17,500,036 | | \$6.47 |
| 3 | March-2003 | | \$231,838,631 | 27,273,324 | | \$8.50 |
| 4 | April-2003 | | \$143,109,382 | 23,729,736 | | \$6.03 |
| 5 | May-2003 | | \$183,899,905 | 30,883,052 | | \$5.95 |
| 6 | June-2003 | | \$184,875,040 | 27,815,409 | | \$6.65 |
| 7 | July-2003 | | \$181,961,279 | 29,460,896 | | \$6.17 |
| 8 | August-2003 | | \$151,374,626 | 26,455,545 | | \$5.72 |
| 9 | September-2003 | | \$155,161,257 | 25,983,301 | | \$5.97 |
| 10 | October-2003 | | \$153,477,290 | 26,473,807 | | \$5.80 |
| 11 | November-2003 | | \$140,688,437 | 24,656,470 | | \$5.73 |
| 12 | December-2003 | | \$133,560,114 | 22,818,381 | | \$5.85 |
| 13 | January-2004 | | \$132,108,889 | 20,941,683 | | \$6.31 |
| 14 | February-2004 | | \$124,805,128 | 20,488,087 | | \$6.09 |
| 15 | March-2004 | | \$144,508,109 | 23,758,934 | | \$6.08 |
| 16 | April-2004 | | \$152,566,395 | 24,956,312 | | \$6.11 |
| 17 | May-2004 | | \$184,854,128 | 28,534,679 | | \$6.48 |
| 18 | June-2004 | | \$198,138,805 | 30,897,461 | | \$6.41 |
| 19 | July-2004 | | \$203,845,291 | 31,971,459 | | \$6.38 |
| 20 | August-2004 | | \$196,751,817 | 31,047,572 | | \$6.34 |
| 21 | September-2004 | | \$204,391,643 | 32,497,895 | | \$6.29 |
| 22 | October-2004 | | \$204,862,666 | 31,158,417 | | \$6.57 |
| 23 | November-2004 | | \$146,867,288 | 22,575,830 | | \$6.51 |
| 24 | December-2004 | | \$159,768,876 | 23,548,872 | | \$6.78 |
| 25 | January-2005 | | \$201,970,652 | 27,483,009 | | \$7.35 |
| 26 | February-2005 | | \$160,078,509 | 21,398,154 | | \$7.48 |
| 27 | March-2005 | | \$189,582,576 | 25,070,037 | | \$7.56 |
| 28 | April-2005 | | \$191,201,327 | 24,686,007 | | \$7.75 |
| 29 | May-2005 | | \$220,629,867 | 29,630,026 | | \$7.45 |
| 30 | June-2005 | | \$238,270,617 | 31,897,078 | | \$7.47 |
| 31 | July-2005 | | \$363,356,037 | 45,763,848 | | \$7.94 |
| 32 | August-2005 | | \$352,263,268 | 39,920,150 | | \$8.82 |
| 33 | September-2005 | | \$388,007,932 | 33,354,896 | | \$11.63 |
| 34 | October-2005 | | \$346,717,629 | 32,619,479 | | \$10.63 |
| 35 | November-2005 | | \$269,933,253 | 29,779,416 | | \$9.06 |
| 36 | December-2005 | | \$182,649,214 | 22,259,386 | | \$8.21 |
| 37 | January-2006 | | \$248,911,298 | 28,259,023 | | \$8.81 |
| 38 | February-2006 | | \$250,388,980 | 28,158,113 | | \$8.89 |
| 39 | March-2006 | | \$320,043,008 | 35,932,370 | | \$8.91 |
| 40 | April-2006 | | \$341,492,838 | 38,062,590 | | \$8.97 |
| 41 | May-2006 | | \$398,665,396 | 45,744,980 | | \$8.71 |
| 42 | June-2006 | | \$390,240,917 | 45,377,426 | | \$8.60 |
| 43 | July-2006 | | \$398,022,710 | 45,711,628 | | \$8.71 |
| 44 | August-2006 | | \$372,157,014 | 40,974,551 | | \$9.08 |
| 45 | September-2006 | | \$373,441,736 | 44,872,538 | | \$8.32 |
| 46 | October-2006 | | \$341,841,345 | 39,551,631 | | \$8.64 |
| 47 | November-2006 | | \$277,949,160 | 29,660,439 | | \$9.37 |
| 48 | December-2006 | | \$275,381,879 | 30,644,655 | | \$8.99 |
| 49 | January-2007 | | \$295,689,266 | 29,676,912 | | \$9.98 |
| 50 | February-2007 | | \$258,937,095 | 25,310,829 | | \$10.23 |
| 51 | March-2007 | | \$282,172,647 | 28,660,444 | | \$9.85 |
| 52 | April-2007 | | \$343,974,097 | 33,791,083 | | \$10.16 |
| 53 | May-2007 | | \$400,189,562 | 40,128,768 | | \$9.97 |
| 54 | June-2007 | | \$414,704,972 | 42,090,849 | | \$9.85 |
| 55 | July-2007 | | \$445,239,073 | 47,289,200 | | \$9.42 |
| 56 | August-2007 | | \$456,642,843 | 47,719,192 | | \$9.57 |
| 57 | September-2007 | | \$442,806,515 | 47,755,354 | | \$9.27 |
| 58 | October-2007 | | \$440,195,823 | 47,376,649 | | \$9.29 |
| 59 | November-2007 | | \$340,502,672 | 34,559,547 | | \$9.85 |
| 60 | December-2007 | | \$352,168,107 | 36,508,503 | | \$9.65 |
| 61 | January-2008 | | \$303,046,588 | 32,287,423 | | \$9.39 |
| 62 | February-2008 | | \$308,188,667 | 31,886,896 | | \$9.67 |
| 63 | March-2008 | | \$344,950,595 | 34,784,589 | | \$9.92 |
| 64 | April-2008 | | \$384,168,508 | 38,103,754 | | \$10.08 |
| 65 | May-2008 | | \$476,978,063 | 43,854,776 | | \$10.93 |
| 66 | June-2008 | | \$512,803,656 | 44,828,093 | | \$11.49 |
| 67 | July-2008 | | \$543,244,190 | 46,397,507 | | \$11.71 |
| 68 | August-2008 | | \$488,285,341 | 48,749,735 | | \$10.02 |
| 69 | September-2008 | | \$458,478,100 | 42,506,399 | | \$10.79 |
| 70 | October-2008 | | \$375,518,895 | 41,284,141 | | \$9.10 |
| 71 | November-2008 | | \$287,968,425 | 31,604,671 | | \$9.11 |

(A) (B) (C) (D) (E) (F) (G)

| NATURAL GAS BURN COST VARIANCE AND HEDGING EFFECTIVENESS | | | | | | |
|--|----------------------------|---|-------------------------------------|-------------------------|-------------------------------------|------------------------------------|
| | NATURAL GAS UNHEDGED COSTS | NATURAL GAS HEDGING RESULTS (Hedging Results Filings) | NATURAL GAS TOTAL HEDGED COSTS (A3) | NATURAL GAS MMBTUS (A3) | COST/MMBTU (\$) W/O Hedging (B)/(E) | COST/MMBTU (\$) W/ Hedging (D)/(E) |
| 72 | December-2008 | | \$262,969,625 | 27,444,316 | | \$9.58 |
| 73 | January-2009 | | \$298,137,410 | 30,134,060 | | \$9.89 |
| 74 | February-2009 | | \$258,532,020 | 28,250,885 | | \$9.08 |
| 75 | March-2009 | | \$296,363,834 | 34,612,821 | | \$8.56 |
| 76 | April-2009 | | \$326,018,200 | 39,943,759 | | \$8.16 |
| 77 | May-2009 | | \$359,853,642 | 45,531,032 | | \$7.90 |
| 78 | June-2009 | | \$368,945,306 | 46,471,180 | | \$7.94 |
| 79 | July-2009 | | \$381,974,109 | 49,415,203 | | \$7.73 |
| 80 | August-2009 | | \$387,281,276 | 51,623,779 | | \$7.50 |
| 81 | September-2009 | | \$373,017,591 | 49,094,433 | | \$7.60 |
| 82 | October-2009 | | \$362,921,906 | 45,012,462 | | \$8.06 |
| 83 | November-2009 | | \$320,661,379 | 39,282,259 | | \$8.16 |
| 84 | December-2009 | | \$299,160,910 | 32,937,591 | | \$9.08 |
| 85 | January-2010 | | \$261,291,953 | 36,346,024 | | \$7.19 |
| 86 | February-2010 | | \$229,836,651 | 33,487,589 | | \$6.86 |
| 87 | March-2010 | | \$223,887,057 | 34,498,578 | | \$6.48 |
| 88 | April-2010 | | \$232,003,950 | 37,167,833 | | \$6.24 |
| 89 | May-2010 | | \$293,558,193 | 48,535,150 | | \$6.05 |
| 90 | June-2010 | | \$310,288,578 | 50,030,113 | | \$6.20 |
| 91 | July-2010 | | \$324,308,766 | 50,282,535 | | \$6.45 |
| 92 | August-2010 | | \$329,772,607 | 51,206,941 | | \$6.44 |
| 93 | September-2010 | | \$298,490,788 | 50,469,972 | | \$5.91 |
| 94 | October-2010 | | \$281,871,205 | 46,601,732 | | \$6.05 |
| 95 | November-2010 | | \$226,120,988 | 36,380,866 | | \$6.22 |
| 96 | December-2010 | | \$253,930,766 | 38,735,316 | | \$6.56 |
| 97 | TOTAL | \$24,974,171,314 | -\$2,593,438,425 | \$27,567,609,739 | 3,374,873,573 | |
| 98 | | | | | | |
| 99 | | | | WEIGHTED AVERAGE PRICE | | \$8.17 |
| 100 | | | | VARIANCE | | 2.64 |
| 101 | | | | STANDARD DEVIATION | | 1.62 |

Q. Please refer to Exhibit HRB-1, Schedule 4, pages 5-6 of 183 from Gulf Power Company's 2010 True-Up Testimony and Exhibits.

- a. Please supply a Company-specific "Fuel Oil Burn Cost Variance and Hedging Effectiveness" schedule, using the same format and containing the same information as shown in Exhibit HRB-1, Schedule 4, pages 5-6 of 183, for the Company during the period from January 2003 through December 2010.
- b. Referring to the bottom of the Exhibit HRB-1, Schedule 4, pages 5-6 of 183, please include "Total" amounts, "Weighted Average Price," "Variance," and "Standard Deviation" for both "Fuel Oil Cost of Generation Actual Cost \$/MMBtu" and "Fuel Oil Cost of Generation Hedged \$/MMBtu."

A.

- a. The "Fuel Oil Burn Cost Variance and Hedging Effectiveness" schedule, as described in part a., is attached.
- b. The "Total" amounts, "Weighted Average Price", "Variance", and "Standard Deviation" for both "Fuel Oil Cost of Generation Actual Cost \$/MMBtu" and "Fuel Oil Cost of Generation Hedged \$/MMBtu" have been incorporated within the attached "Fuel Oil Burn Cost Variance and Hedging Effectiveness" schedule.

| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
|---|-------------------------------|--|--|----------------------------|-------------------------------------|------------------------------------|
| HEAVY FUEL OIL BURN COST VARIANCE AND HEDGING EFFECTIVENESS | | | | | | |
| | HEAVY FUEL OIL UNHEDGED COSTS | HEAVY FUEL OIL HEDGING RESULTS (Hedging Results Filings) | HEAVY FUEL OIL TOTAL HEDGED COSTS (A3) | HEAVY FUEL OIL MMBTUS (A3) | COST/MMBTU (\$) W/O Hedging (B)/(E) | COST/MMBTU (\$) W/ Hedging (D)/(E) |
| 1 | January-2003 | | \$52,553,565 | 12,880,317 | | \$4.08 |
| 2 | February-2003 | | \$38,389,105 | 8,788,097 | | \$4.37 |
| 3 | March-2003 | | \$88,014,626 | 18,819,286 | | \$4.68 |
| 4 | April-2003 | | \$64,578,039 | 13,793,537 | | \$4.68 |
| 5 | May-2003 | | \$86,806,957 | 19,304,324 | | \$4.50 |
| 6 | June-2003 | | \$97,312,227 | 21,987,620 | | \$4.43 |
| 7 | July-2003 | | \$102,780,897 | 22,441,977 | | \$4.58 |
| 8 | August-2003 | | \$101,759,084 | 22,673,601 | | \$4.49 |
| 9 | September-2003 | | \$102,053,499 | 23,198,505 | | \$4.40 |
| 10 | October-2003 | | \$96,168,348 | 21,949,497 | | \$4.38 |
| 11 | November-2003 | | \$49,271,618 | 11,221,827 | | \$4.39 |
| 12 | December-2003 | | \$34,735,800 | 7,982,446 | | \$4.35 |
| 13 | January-2004 | | \$34,875,582 | 8,124,216 | | \$4.29 |
| 14 | February-2004 | | \$35,542,161 | 8,312,259 | | \$4.28 |
| 15 | March-2004 | | \$81,248,735 | 14,758,215 | | \$4.15 |
| 16 | April-2004 | | \$64,904,999 | 15,538,319 | | \$4.18 |
| 17 | May-2004 | | \$72,607,237 | 16,791,775 | | \$4.32 |
| 18 | June-2004 | | \$112,493,566 | 25,188,876 | | \$4.47 |
| 19 | July-2004 | | \$108,763,739 | 23,881,531 | | \$4.55 |
| 20 | August-2004 | | \$105,244,100 | 22,782,315 | | \$4.62 |
| 21 | September-2004 | | \$84,771,296 | 19,316,749 | | \$4.39 |
| 22 | October-2004 | | \$80,986,881 | 17,651,818 | | \$4.59 |
| 23 | November-2004 | | \$69,205,977 | 15,281,820 | | \$4.53 |
| 24 | December-2004 | | \$50,345,494 | 11,282,351 | | \$4.46 |
| 25 | January-2005 | | \$50,164,848 | 10,760,846 | | \$4.66 |
| 26 | February-2005 | | \$40,520,227 | 8,470,057 | | \$4.78 |
| 27 | March-2005 | | \$57,313,017 | 11,716,124 | | \$4.89 |
| 28 | April-2005 | | \$66,932,392 | 13,450,104 | | \$4.98 |
| 29 | May-2005 | | \$84,429,821 | 15,924,617 | | \$5.30 |
| 30 | June-2005 | | \$105,719,477 | 18,266,668 | | \$5.79 |
| 31 | July-2005 | | \$134,887,962 | 22,739,129 | | \$5.93 |
| 32 | August-2005 | | \$144,582,253 | 22,431,162 | | \$6.45 |
| 33 | September-2005 | | \$173,455,809 | 24,966,746 | | \$6.95 |
| 34 | October-2005 | | \$120,924,072 | 15,997,771 | | \$7.56 |
| 35 | November-2005 | | \$87,483,470 | 11,730,437 | | \$7.46 |
| 36 | December-2005 | | \$123,120,982 | 16,516,488 | | \$7.45 |
| 37 | January-2006 | | \$48,250,688 | 6,044,801 | | \$7.98 |
| 38 | February-2006 | | \$26,687,523 | 3,252,034 | | \$8.21 |
| 39 | March-2006 | | \$27,190,246 | 3,251,833 | | \$8.36 |
| 40 | April-2006 | | \$71,835,711 | 8,733,935 | | \$8.20 |
| 41 | May-2006 | | \$56,292,729 | 6,959,202 | | \$8.09 |
| 42 | June-2006 | | \$88,666,194 | 10,860,490 | | \$8.16 |
| 43 | July-2006 | | \$77,047,810 | 9,459,239 | | \$8.15 |
| 44 | August-2006 | | \$163,628,932 | 20,308,865 | | \$8.06 |
| 45 | September-2006 | | \$71,594,567 | 8,734,502 | | \$8.20 |
| 46 | October-2006 | | \$65,959,960 | 7,989,731 | | \$8.26 |
| 47 | November-2006 | | \$65,093,840 | 7,952,557 | | \$8.19 |
| 48 | December-2006 | | \$30,877,718 | 3,696,720 | | \$8.35 |
| 49 | January-2007 | | \$27,616,705 | 3,189,141 | | \$8.66 |
| 50 | February-2007 | | \$56,112,150 | 5,991,306 | | \$9.37 |
| 51 | March-2007 | | \$32,953,022 | 3,316,398 | | \$9.94 |
| 52 | April-2007 | | \$96,003,753 | 10,178,207 | | \$9.43 |
| 53 | May-2007 | | \$95,883,767 | 10,310,899 | | \$9.31 |
| 54 | June-2007 | | \$92,457,198 | 10,334,096 | | \$8.95 |
| 55 | July-2007 | | \$111,903,460 | 12,375,314 | | \$9.04 |
| 56 | August-2007 | | \$162,247,733 | 17,486,591 | | \$9.28 |
| 57 | September-2007 | | \$113,809,030 | 11,980,762 | | \$9.50 |
| 58 | October-2007 | | \$103,516,890 | 10,992,854 | | \$9.42 |
| 59 | November-2007 | | \$21,784,459 | 2,168,558 | | \$10.04 |
| 60 | December-2007 | | \$9,731,678 | 981,751 | | \$9.91 |
| 61 | January-2008 | | \$16,893,995 | 1,764,587 | | \$9.63 |
| 62 | February-2008 | | \$22,902,013 | 2,390,622 | | \$9.58 |
| 63 | March-2008 | | \$31,759,248 | 3,285,880 | | \$9.67 |
| 64 | April-2008 | | \$71,514,487 | 8,840,564 | | \$10.45 |
| 65 | May-2008 | | \$68,056,247 | 6,660,885 | | \$10.22 |
| 66 | June-2008 | | \$103,668,024 | 9,253,504 | | \$11.20 |
| 67 | July-2008 | | \$67,037,632 | 6,220,892 | | \$10.78 |
| 68 | August-2008 | | \$79,190,475 | 7,869,199 | | \$10.06 |
| 69 | September-2008 | | \$104,269,550 | 10,339,458 | | \$10.08 |
| 70 | October-2008 | | \$37,470,351 | 3,834,079 | | \$9.77 |

| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
|---|-------------------------------|--|--|----------------------------|-------------------------------------|------------------------------------|
| HEAVY FUEL OIL BURN COST VARIANCE AND HEDGING EFFECTIVENESS | | | | | | |
| | HEAVY FUEL OIL UNHEDGED COSTS | HEAVY FUEL OIL HEDGING RESULTS (Hedging Results Filings) | HEAVY FUEL OIL TOTAL HEDGED COSTS (A3) | HEAVY FUEL OIL MMBTUS (A3) | COST/MMBTU (\$) W/O Hedging (B)/(E) | COST/MMBTU (\$) W/ Hedging (D)/(E) |
| 71 | November-2008 | | \$13,324,853 | 1,349,235 | | \$9.88 |
| 72 | December-2008 | | \$3,874,213 | 401,619 | | \$9.65 |
| 73 | January-2009 | | \$10,745,280 | 1,098,175 | | \$9.78 |
| 74 | February-2009 | | \$20,593,082 | 2,100,100 | | \$9.81 |
| 75 | March-2009 | | \$12,026,891 | 1,209,183 | | \$9.95 |
| 76 | April-2009 | | \$35,906,174 | 3,722,137 | | \$9.65 |
| 77 | May-2009 | | \$60,218,345 | 6,090,942 | | \$9.89 |
| 78 | June-2009 | | \$68,408,944 | 6,789,943 | | \$10.09 |
| 79 | July-2009 | | \$72,181,801 | 6,796,592 | | \$10.62 |
| 80 | August-2009 | | \$83,114,982 | 7,498,736 | | \$11.08 |
| 81 | September-2009 | | \$62,084,320 | 5,351,404 | | \$11.60 |
| 82 | October-2009 | | \$67,095,813 | 5,783,851 | | \$11.64 |
| 83 | November-2009 | | \$15,543,494 | 1,316,730 | | \$11.80 |
| 84 | December-2009 | | \$3,118,214 | 268,056 | | \$11.63 |
| 85 | January-2010 | | \$70,768,596 | 6,083,039 | | \$11.63 |
| 86 | February-2010 | | \$882,687 | 78,401 | | \$11.55 |
| 87 | March-2010 | | \$18,082,910 | 1,550,013 | | \$11.67 |
| 88 | April-2010 | | \$20,117,132 | 1,762,075 | | \$11.42 |
| 89 | May-2010 | | \$52,262,217 | 4,539,537 | | \$11.51 |
| 90 | June-2010 | | \$97,641,711 | 8,574,437 | | \$11.39 |
| 91 | July-2010 | | \$76,601,139 | 6,792,779 | | \$11.28 |
| 92 | August-2010 | | \$78,582,012 | 6,793,746 | | \$11.57 |
| 93 | September-2010 | | \$31,468,112 | 2,715,393 | | \$11.59 |
| 94 | October-2010 | | \$10,346,355 | 905,494 | | \$11.43 |
| 95 | November-2010 | | \$665,462 | 57,831 | | \$11.51 |
| 96 | December-2010 | | \$35,498,408 | 3,063,811 | | \$11.59 |
| 97 | TOTAL | \$6,616,300,922 | \$290,329,310 | \$8,325,971,612 | 944,599,942 | |
| 98 | | | | | | |
| 99 | | | | WEIGHTED AVERAGE PRICE | | \$8.70 |
| 100 | | | | VARIANCE | | 7.24 |
| 101 | | | | STANDARD DEVIATION | | 2.69 |

Q. Please refer to Exhibit HRB-1, Schedule 4, pages 5-6 of 183 from Gulf Power Company's 2010 True-Up Testimony and Exhibits. In this response, please use only fuel types that the Company hedges for "Total Fuel Cost."

- a. Please supply a Company-specific "Total Fuel Cost Variance and Hedging Effectiveness" schedule, using the same format and containing the same information as shown in Exhibit HRB-1, Schedule 4, pages 5-6 of 183, for the Company during the period from January 2003 through December 2010.
- b. Referring to the bottom of the Exhibit HRB-1, Schedule 4, pages 5-6 of 183, please include "Total" amounts, "Weighted Average Price," "Variance," and "Standard Deviation" for both "Total Fuel Cost of Generation Actual Cost \$/MMBtu" and "Total Fuel Cost of Generation Hedged \$/MMBtu."

A.

a. The "Total Fuel Cost Variance and Hedging Effectiveness" schedule, as described in part a., is attached. The schedule summarizes costs for the two fuel types, natural gas and heavy fuel oil, included in FPL's hedging program.

b. The "Total" amounts, "Weighted Average Price", "Variance", and "Standard Deviation" for both "Total Fuel Cost of Generation Actual Cost \$/MMBtu" and "Total Fuel Cost of Generation Hedged \$/MMBtu" have been incorporated within the attached "Total Fuel Cost Variance and Hedging Effectiveness" schedule.

| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
|--|-------------------------------------|---|--|--|---------------------------------------|--------------------------------------|
| TOTAL FUEL COST VARIANCE AND HEDGING EFFECTIVENESS | | | | | | |
| | TOTAL UNHEDGED FUEL COSTS (NG & HO) | TOTAL HEDGING RESULTS (NG & HO) (Hedging Results Filings) | TOTAL HEDGED FUEL COSTS (NG & HO) (A3) | TOTAL HEDGED FUEL MMBTU (NG & HO) (A3) | COST/MMBTU (\$) W/O Hedging (B) / (E) | COST/MMBTU (\$) W/ Hedging (D) / (E) |
| 1 | January-2003 | | \$184,427,159 | 35,348,590 | | \$5.22 |
| 2 | February-2003 | | \$151,666,686 | 26,288,133 | | \$5.77 |
| 3 | March-2003 | | \$319,853,257 | 48,092,810 | | \$6.94 |
| 4 | April-2003 | | \$207,687,421 | 37,523,273 | | \$5.53 |
| 5 | May-2003 | | \$270,706,862 | 50,187,376 | | \$5.39 |
| 6 | June-2003 | | \$282,187,267 | 49,803,029 | | \$5.67 |
| 7 | July-2003 | | \$284,742,176 | 51,922,873 | | \$5.48 |
| 8 | August-2003 | | \$253,133,710 | 49,129,148 | | \$5.15 |
| 9 | September-2003 | | \$257,214,758 | 49,181,806 | | \$5.23 |
| 10 | October-2003 | | \$249,643,638 | 48,423,304 | | \$5.16 |
| 11 | November-2003 | | \$189,960,055 | 35,778,297 | | \$5.31 |
| 12 | December-2003 | | \$168,295,914 | 30,800,827 | | \$5.46 |
| 13 | January-2004 | | \$166,984,471 | 29,065,879 | | \$5.76 |
| 14 | February-2004 | | \$160,347,309 | 28,800,346 | | \$5.57 |
| 15 | March-2004 | | \$205,758,844 | 38,517,149 | | \$5.34 |
| 16 | April-2004 | | \$217,471,394 | 40,494,631 | | \$5.37 |
| 17 | May-2004 | | \$257,461,385 | 45,326,454 | | \$5.68 |
| 18 | June-2004 | | \$310,632,371 | 56,086,337 | | \$5.54 |
| 19 | July-2004 | | \$312,609,030 | 55,852,990 | | \$5.60 |
| 20 | August-2004 | | \$301,995,917 | 53,829,887 | | \$5.61 |
| 21 | September-2004 | | \$289,162,939 | 51,814,644 | | \$5.58 |
| 22 | October-2004 | | \$285,849,547 | 48,810,235 | | \$5.88 |
| 23 | November-2004 | | \$216,073,265 | 37,857,650 | | \$5.71 |
| 24 | December-2004 | | \$210,114,370 | 34,831,223 | | \$6.03 |
| 25 | January-2005 | | \$252,135,300 | 38,243,855 | | \$6.59 |
| 26 | February-2005 | | \$200,596,736 | 29,868,211 | | \$6.72 |
| 27 | March-2005 | | \$246,895,593 | 36,786,161 | | \$6.71 |
| 28 | April-2005 | | \$258,133,719 | 38,136,111 | | \$6.77 |
| 29 | May-2005 | | \$305,059,688 | 45,554,643 | | \$6.70 |
| 30 | June-2005 | | \$343,990,094 | 50,163,746 | | \$6.86 |
| 31 | July-2005 | | \$498,243,999 | 68,502,977 | | \$7.27 |
| 32 | August-2005 | | \$496,845,521 | 62,351,312 | | \$7.97 |
| 33 | September-2005 | | \$561,463,741 | 58,321,842 | | \$9.63 |
| 34 | October-2005 | | \$467,641,701 | 48,617,250 | | \$9.62 |
| 35 | November-2005 | | \$357,416,723 | 41,509,853 | | \$8.61 |
| 36 | December-2005 | | \$305,770,196 | 38,775,874 | | \$7.89 |
| 37 | January-2006 | | \$297,161,984 | 34,303,824 | | \$8.66 |
| 38 | February-2006 | | \$277,076,503 | 31,410,147 | | \$8.82 |
| 39 | March-2006 | | \$347,233,254 | 39,184,203 | | \$8.86 |
| 40 | April-2006 | | \$413,128,549 | 46,796,525 | | \$8.83 |
| 41 | May-2006 | | \$454,958,125 | 52,704,182 | | \$8.63 |
| 42 | June-2006 | | \$478,907,111 | 56,237,916 | | \$8.52 |
| 43 | July-2006 | | \$475,070,520 | 55,170,867 | | \$8.61 |
| 44 | August-2006 | | \$535,783,946 | 61,283,416 | | \$8.74 |
| 45 | September-2006 | | \$445,036,303 | 53,607,040 | | \$8.30 |
| 46 | October-2006 | | \$407,801,305 | 47,541,362 | | \$8.58 |
| 47 | November-2006 | | \$343,043,000 | 37,612,998 | | \$9.12 |
| 48 | December-2006 | | \$306,269,597 | 34,341,375 | | \$8.92 |
| 49 | January-2007 | | \$323,304,971 | 32,865,063 | | \$9.84 |
| 50 | February-2007 | | \$315,049,245 | 31,302,135 | | \$10.06 |
| 51 | March-2007 | | \$315,125,669 | 31,976,842 | | \$9.85 |
| 52 | April-2007 | | \$439,977,850 | 43,967,290 | | \$10.01 |
| 53 | May-2007 | | \$496,173,329 | 50,439,667 | | \$9.84 |
| 54 | June-2007 | | \$507,162,170 | 52,424,945 | | \$9.67 |
| 55 | July-2007 | | \$557,142,533 | 59,664,514 | | \$9.34 |
| 56 | August-2007 | | \$618,890,576 | 65,205,783 | | \$9.49 |
| 57 | September-2007 | | \$556,615,546 | 59,736,116 | | \$9.32 |
| 58 | October-2007 | | \$543,712,713 | 58,369,503 | | \$9.32 |
| 59 | November-2007 | | \$362,267,131 | 38,728,105 | | \$9.86 |
| 60 | December-2007 | | \$361,899,785 | 37,490,254 | | \$9.65 |
| 61 | January-2008 | | \$320,040,583 | 34,062,010 | | \$9.40 |
| 62 | February-2008 | | \$331,090,680 | 34,277,518 | | \$9.66 |
| 63 | March-2008 | | \$376,709,843 | 38,070,489 | | \$9.90 |
| 64 | April-2008 | | \$455,680,993 | 44,944,318 | | \$10.14 |
| 65 | May-2008 | | \$545,034,310 | 50,315,461 | | \$10.83 |
| 66 | June-2008 | | \$616,471,680 | 53,879,597 | | \$11.44 |
| 67 | July-2008 | | \$610,281,822 | 52,618,399 | | \$11.60 |
| 68 | August-2008 | | \$567,475,816 | 56,618,934 | | \$10.02 |
| 69 | September-2008 | | \$562,747,650 | 52,845,857 | | \$10.65 |

(A) (B) (C) (D) (E) (F) (G)

TOTAL FUEL COST VARIANCE AND HEDGING EFFECTIVENESS

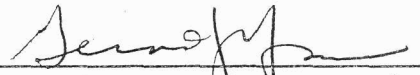
| | TOTAL UNHEDGED FUEL COSTS (NG & HO) | TOTAL HEDGING RESULTS (NG & HO) (Hedging Results Filings) | TOTAL HEDGED FUEL COSTS (NG & HO) (A3) | TOTAL HEDGED FUEL MMBTU (NG & HO) (A3) | COST/MMBTU (\$) W/O Hedging (B)/(E) | COST/MMBTU (\$) W/ Hedging (D)/(E) |
|-----|-------------------------------------|---|--|--|-------------------------------------|------------------------------------|
| 70 | October-2008 | | \$412,989,246 | 45,118,220 | | \$9.15 |
| 71 | November-2008 | | \$301,293,278 | 32,953,906 | | \$9.14 |
| 72 | December-2008 | | \$266,843,838 | 27,845,935 | | \$9.58 |
| 73 | January-2009 | | \$308,882,690 | 31,232,236 | | \$9.89 |
| 74 | February-2009 | | \$277,125,102 | 30,350,985 | | \$9.13 |
| 75 | March-2009 | | \$308,390,725 | 35,822,004 | | \$8.61 |
| 76 | April-2009 | | \$361,924,374 | 43,665,896 | | \$8.29 |
| 77 | May-2009 | | \$420,071,987 | 51,621,974 | | \$8.14 |
| 78 | June-2009 | | \$437,354,250 | 53,261,123 | | \$8.21 |
| 79 | July-2009 | | \$454,165,910 | 56,211,795 | | \$8.08 |
| 80 | August-2009 | | \$470,396,258 | 59,122,515 | | \$7.96 |
| 81 | September-2009 | | \$435,101,911 | 54,445,837 | | \$7.99 |
| 82 | October-2009 | | \$430,017,719 | 50,776,313 | | \$8.47 |
| 83 | November-2009 | | \$336,204,873 | 40,598,989 | | \$8.28 |
| 84 | December-2009 | | \$302,279,124 | 33,205,647 | | \$9.10 |
| 85 | January-2010 | | \$332,048,549 | 42,429,083 | | \$7.83 |
| 86 | February-2010 | | \$230,719,338 | 33,563,990 | | \$6.87 |
| 87 | March-2010 | | \$241,769,967 | 36,048,591 | | \$6.71 |
| 88 | April-2010 | | \$252,121,082 | 38,929,908 | | \$6.48 |
| 89 | May-2010 | | \$345,820,410 | 53,074,687 | | \$6.52 |
| 90 | June-2010 | | \$407,930,289 | 58,604,550 | | \$6.96 |
| 91 | July-2010 | | \$400,907,905 | 57,075,314 | | \$7.02 |
| 92 | August-2010 | | \$408,354,619 | 58,900,687 | | \$7.04 |
| 93 | September-2010 | | \$329,958,900 | 53,185,365 | | \$6.20 |
| 94 | October-2010 | | \$292,217,560 | 47,507,226 | | \$6.15 |
| 95 | November-2010 | | \$226,786,450 | 36,438,687 | | \$6.22 |
| 96 | December-2010 | | \$289,429,172 | 41,799,126 | | \$6.92 |
| 97 | TOTAL | \$31,590,472,236 | -\$2,303,109,115 | \$33,893,581,351 | 4,319,473,515 | |
| 98 | | | | | | |
| 99 | | | | WEIGHTED AVERAGE PRICE | | \$7.85 |
| 100 | | | | VARIANCE | | 3.03 |
| 101 | | | | STANDARD DEVIATION | | 1.74 |

AFFIDAVIT


STATE OF FLORIDA)

COUNTY OF PALM BEACH)

I hereby certify that on this 7th day of April, 2011, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Gerard J. Yupp who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory numbers 1 through 3 from STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-3) in Docket No(s). 110001-EI, and that the responses are true and correct based on his personal knowledge.


Gerard J. Yupp

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 7th day of April, 2011.


Notary Public
State of Florida, at Large



My Commission Expires:

5/30/2013

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

| | | |
|----------------------------------|---|-----------------------|
| In re: Fuel and Purchased Power |) | DOCKET NO. 110001-EI |
| Cost Recovery Clause with |) | FILED: April 11, 2011 |
| Generating Performance Incentive |) | |
| Factor |) | |

REDACTED

**TAMPA ELECTRIC COMPANY'S
ANSWERS TO FIRST SET OF INTERROGATORIES (NO. 1)
OF
FLORIDA PUBLIC SERVICE COMMISSION STAFF**

Tampa Electric files this its Answers to Interrogatories (No. 1) propounded and served on March 11, 2011, by the Florida Public Service Commission Staff.

TAMPA ELECTRIC COMPANY
DOCKET NO. 110001-EI
INDEX TO STAFF'S FIRST SET OF INTERROGATORIES (NO. 1)

| <u>Number</u> | <u>Witness</u> | <u>Subject</u> | <u>Bates Stamped Page</u> |
|---------------|------------------|--|-----------------------------------|
| 1 | Carlos Aldazabal | <p>1. Please refer to Exhibit HRB-1, Schedule 4, pages 5-6 of 183 from Gulf Power Company's 2010 True-Up Testimony and Exhibits.</p> <p>a. Please supply a Company-specific "Natural Gas Burn Cost Variance and Hedging Effectiveness" schedule, using the same format and containing the same information as shown in Exhibit HRB-1, Schedule 4, pages 5-6 of 183, for the Company during the period from January 2003 through December 2010.</p> <p>b. Referring to the bottom of the Exhibit HRB-1, Schedule 4, pages 5-6 of 183, please include "Total" amounts, "Weighted Average Price," "Variance," and "Standard Deviation" for both "Gas Cost of Generation Actual Cost \$/MMBtu" and "Gas Cost of Generation Hedged \$/MMBtu."</p> | 1-5 |

Carlos Aldazabal
Director Regulatory Affairs
Tampa Electric Company
702 N. Franklin Street
Tampa, Florida 33602

**TAMPA ELECTRIC COMPANY
DOCKET NO. 110001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 1
PAGE 1 OF 5
FILED: APRIL 11, 2011**

1. Please refer to Exhibit HRB-1, Schedule 4, pages 5-6 of 183 from Gulf Power Company's 2010 True-Up Testimony and Exhibits.
- a. Please supply a Company-specific "Natural Gas Burn Cost Variance and Hedging Effectiveness" schedule, using the same format and containing the same information as shown in Exhibit HRB-1, Schedule 4, pages 5-6 of 183, for the Company during the period from January 2003 through December 2010.
- b. Referring to the bottom of the Exhibit HRB-1, Schedule 4, pages 5-6 of 183, please include "Total" amounts, "Weighted Average Price," "Variance," and "Standard Deviation" for both "Gas Cost of Generation Actual Cost \$/MMBtu" and "Gas Cost of Generation Hedged \$/MMBtu."
- A. a. The following table contains the monthly natural gas data from January 2003 through December 2010.

| | (A) Gas Burn for Generation (MMBtu) ¹ | (B) Gas Cost for Generation Actual Cost (\$) ² | (C) Hedge Settlement Total (\$) ³ | (D) Gas Cost for Generation Hedged (\$) ¹ | (E) Gas Cost for Generation Actual Cost (\$/MMBtu) ⁴ | (F) Gas Cost for Generation Hedged (\$/MMBtu) ¹ |
|--------|--|---|--|--|---|--|
| Jan-03 | 125,300 | 1,335,843 | (31,100) | 1,366,943 | 10.66 | 10.91 |
| Feb-03 | 494,245 | 1,133,965 | (79,600) | 1,213,565 | 2.29 | 2.46 |
| Mar-03 | 705,160 | 6,704,666 | 636,578 | 6,068,088 | 9.51 | 8.61 |
| Apr-03 | 1,844,887 | 12,691,810 | 62,800 | 12,629,010 | 6.88 | 6.85 |
| May-03 | 3,125,988 | 19,064,686 | 63,000 | 19,001,686 | 6.10 | 6.08 |
| Jun-03 | 3,212,139 | 25,852,834 | (139,000) | 25,991,834 | 8.05 | 8.09 |
| Jul-03 | 3,057,264 | 21,104,282 | 43,800 | 21,060,482 | 6.90 | 6.89 |
| Aug-03 | 3,027,075 | 19,826,635 | 352,350 | 19,474,285 | 6.55 | 6.43 |
| Sep-03 | 3,202,056 | 20,767,602 | 205,800 | 20,561,802 | 6.49 | 6.42 |
| Oct-03 | 3,134,637 | 18,569,417 | 620,800 | 17,948,617 | 5.92 | 5.73 |

**TAMPA ELECTRIC COMPANY
DOCKET NO. 110001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 1
PAGE 2 OF 5
FILED: APRIL 11, 2011**

| | | | | | | |
|--------|-----------|------------|-------------|------------|-------|-------|
| Nov-03 | 3,685,161 | 20,219,961 | 659,600 | 19,560,361 | 5.49 | 5.31 |
| Dec-03 | 3,317,540 | 18,827,477 | 363,000 | 18,464,477 | 5.68 | 5.57 |
| Jan-04 | 3,632,600 | 33,189,965 | 1,003,250 | 32,186,715 | 9.14 | 8.86 |
| Feb-04 | 3,769,711 | 21,947,067 | 526,750 | 21,420,317 | 5.82 | 5.68 |
| Mar-04 | 2,836,531 | 14,383,306 | (445,500) | 14,828,806 | 5.07 | 5.23 |
| Apr-04 | 3,260,076 | 21,663,435 | 348,500 | 21,314,935 | 6.65 | 6.54 |
| May-04 | 4,045,046 | 27,539,155 | 786,750 | 26,752,405 | 6.81 | 6.61 |
| Jun-04 | 4,693,471 | 38,553,906 | 1,893,250 | 36,660,656 | 8.21 | 7.81 |
| Jul-04 | 5,479,310 | 40,710,990 | 568,300 | 40,142,690 | 7.43 | 7.33 |
| Aug-04 | 5,224,799 | 38,777,269 | 200,410 | 38,576,859 | 7.42 | 7.38 |
| Sep-04 | 5,131,688 | 32,724,640 | (2,558,450) | 35,283,090 | 6.38 | 6.88 |
| Oct-04 | 5,318,458 | 33,646,850 | (358,260) | 34,005,110 | 6.33 | 6.39 |
| Nov-04 | 3,179,317 | 27,609,001 | 3,520,170 | 24,088,831 | 8.68 | 7.58 |
| Dec-04 | 3,241,778 | 32,896,412 | 2,928,000 | 29,968,412 | 10.15 | 9.24 |
| Jan-05 | 3,992,113 | 28,882,858 | (1,684,230) | 30,567,088 | 7.23 | 7.66 |
| Feb-05 | 3,817,850 | 25,662,185 | (1,108,490) | 26,770,675 | 6.72 | 7.01 |
| Mar-05 | 4,100,470 | 29,940,096 | (803,850) | 30,743,946 | 7.30 | 7.50 |
| Apr-05 | 4,030,158 | 38,581,325 | 1,850,810 | 36,730,515 | 9.57 | 9.11 |
| May-05 | 4,704,384 | 35,480,300 | 819,870 | 34,660,430 | 7.54 | 7.37 |
| Jun-05 | 4,827,473 | 39,391,956 | (1,388,580) | 40,780,536 | 8.16 | 8.45 |
| Jul-05 | 6,021,931 | 53,555,041 | 1,863,890 | 51,691,151 | 8.89 | 8.58 |
| Aug-05 | 6,275,261 | 62,575,587 | 3,934,780 | 58,640,807 | 9.97 | 9.34 |
| Sep-05 | 4,872,253 | 79,121,345 | 12,737,730 | 66,383,615 | 16.24 | 13.62 |
| Oct-05 | 5,323,414 | 78,302,891 | 17,319,140 | 60,983,751 | 14.71 | 11.46 |
| Nov-05 | 4,409,892 | 56,240,254 | 13,681,450 | 42,558,804 | 12.75 | 9.65 |
| Dec-05 | 4,079,151 | 54,259,256 | 6,009,250 | 48,250,006 | 13.30 | 11.83 |
| Jan-06 | 2,684,926 | 34,875,345 | 5,724,270 | 29,151,075 | 12.99 | 10.86 |
| Feb-06 | 3,689,939 | 36,968,229 | (580,900) | 37,549,129 | 10.02 | 10.18 |

TAMPA ELECTRIC COMPANY
 DOCKET NO. 110001-EI
 STAFF'S FIRST SET OF
 INTERROGATORIES
 INTERROGATORY NO. 1
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| | | | | | | |
|--------|-----------|------------|--------------|------------|-------|-------|
| Mar-06 | 2,887,766 | 24,798,115 | (1,362,660) | 26,160,775 | 8.59 | 9.06 |
| Apr-06 | 5,027,487 | 42,572,774 | (3,219,540) | 45,792,314 | 8.47 | 9.11 |
| May-06 | 5,448,152 | 48,641,586 | (5,156,780) | 53,798,366 | 8.93 | 9.87 |
| Jun-06 | 5,329,954 | 41,479,797 | (9,499,350) | 50,979,147 | 7.78 | 9.56 |
| Jul-06 | 5,541,211 | 41,207,991 | (9,859,660) | 51,067,651 | 7.44 | 9.22 |
| Aug-06 | 5,778,992 | 52,464,834 | (5,082,530) | 57,547,364 | 9.08 | 9.96 |
| Sep-06 | 4,785,258 | 39,665,432 | (5,361,780) | 45,027,212 | 8.29 | 9.41 |
| Oct-06 | 5,309,146 | 37,925,995 | (14,380,850) | 52,306,845 | 7.14 | 9.85 |
| Nov-06 | 4,024,967 | 34,329,835 | (3,577,320) | 37,907,155 | 8.53 | 9.42 |
| Dec-06 | 2,986,323 | 23,986,544 | (2,125,020) | 26,111,564 | 8.03 | 8.74 |
| Jan-07 | 2,779,205 | 19,998,836 | (11,121,120) | 31,119,956 | 7.20 | 11.20 |
| Feb-07 | 4,804,862 | 42,383,779 | (6,988,180) | 49,371,959 | 8.82 | 10.28 |
| Mar-07 | 4,865,026 | 39,917,904 | (4,277,970) | 44,195,874 | 8.21 | 9.08 |
| Apr-07 | 5,129,416 | 46,342,924 | (865,100) | 47,208,024 | 9.03 | 9.20 |
| May-07 | 5,859,493 | 52,293,707 | (1,011,910) | 53,305,617 | 8.92 | 9.10 |
| Jun-07 | 5,512,581 | 50,889,427 | (779,570) | 51,668,997 | 9.23 | 9.37 |
| Jul-07 | 6,035,362 | 52,303,735 | (3,671,380) | 55,975,115 | 8.67 | 9.27 |
| Aug-07 | 6,451,160 | 53,620,872 | (7,452,500) | 61,073,372 | 8.31 | 9.47 |
| Sep-07 | 5,526,157 | 41,449,098 | (9,818,000) | 51,267,098 | 7.50 | 9.28 |
| Oct-07 | 5,203,258 | 42,104,684 | (4,955,230) | 47,059,914 | 8.09 | 9.04 |
| Nov-07 | 3,145,348 | 27,833,915 | (3,143,670) | 30,977,585 | 8.85 | 9.85 |
| Dec-07 | 4,065,347 | 35,542,393 | (5,606,890) | 41,149,283 | 8.74 | 10.12 |
| Jan-08 | 4,952,280 | 42,049,927 | (4,622,710) | 46,672,637 | 8.49 | 9.42 |
| Feb-08 | 3,531,736 | 32,669,372 | (2,695,930) | 35,365,302 | 9.25 | 10.01 |
| Mar-08 | 2,774,327 | 29,338,474 | 553,250 | 28,785,224 | 10.57 | 10.38 |
| Apr-08 | 4,573,838 | 51,628,528 | | | 11.29 | 10.46 |
| May-08 | 6,103,368 | 78,478,443 | | | 12.86 | 10.64 |
| Jun-08 | 5,874,776 | 80,693,651 | | | 13.74 | 11.30 |

TAMPA ELECTRIC COMPANY
DOCKET NO. 110001-EI
STAFF'S FIRST SET OF
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| | | | | | | | |
|--------|-----------|------------|--|--|--|-------|-------|
| Jul-08 | 4,586,907 | 72,786,963 | | | | 15.87 | 10.93 |
| Aug-08 | 5,655,623 | 63,820,630 | | | | 11.28 | 11.26 |
| Sep-08 | 5,869,209 | 60,733,186 | | | | 10.35 | 11.02 |
| Oct-08 | 3,581,826 | 35,116,361 | | | | 9.80 | 12.00 |
| Nov-08 | 3,791,151 | 29,307,353 | | | | 7.73 | 10.16 |
| Dec-08 | 4,705,760 | 35,176,802 | | | | 7.48 | 9.28 |
| Jan-09 | 4,472,374 | 31,430,272 | | | | 7.03 | 9.67 |
| Feb-09 | 5,091,488 | 28,048,685 | | | | 5.51 | 8.88 |
| Mar-09 | 5,648,433 | 28,021,138 | | | | 4.96 | 8.03 |
| Apr-09 | 4,194,502 | 20,735,452 | | | | 4.94 | 8.92 |
| May-09 | 6,511,364 | 29,635,503 | | | | 4.55 | 7.99 |
| Jun-09 | 6,754,660 | 32,561,257 | | | | 4.82 | 7.48 |
| Jul-09 | 7,112,009 | 35,377,724 | | | | 4.97 | 7.54 |
| Aug-09 | 6,659,526 | 30,511,415 | | | | 4.58 | 7.22 |
| Sep-09 | 5,622,355 | 23,204,815 | | | | 4.13 | 7.56 |
| Oct-09 | 5,747,035 | 26,215,771 | | | | 4.56 | 6.85 |
| Nov-09 | 2,906,655 | 16,562,886 | | | | 5.70 | 8.48 |
| Dec-09 | 4,307,603 | 24,036,446 | | | | 5.58 | 8.69 |
| Jan-10 | 6,279,331 | 46,540,525 | | | | 7.41 | 8.09 |
| Feb-10 | 5,552,378 | 35,064,337 | | | | 6.32 | 7.20 |
| Mar-10 | 3,457,509 | 21,119,769 | | | | 6.11 | 7.71 |
| Apr-10 | 4,822,245 | 24,352,931 | | | | 5.05 | 6.42 |
| May-10 | 6,440,429 | 34,434,333 | | | | 5.35 | 6.33 |
| Jun-10 | 6,268,450 | 32,191,361 | | | | 5.14 | 6.22 |
| Jul-10 | 5,678,013 | 33,918,103 | | | | 5.97 | 7.03 |
| Aug-10 | 6,296,163 | 38,132,005 | | | | 6.06 | 6.73 |
| Sep-10 | 6,191,941 | 30,286,166 | | | | 4.89 | 6.22 |
| Oct-10 | 5,105,134 | 25,014,920 | | | | 4.90 | 6.12 |

TAMPA ELECTRIC COMPANY
DOCKET NO. 110001-EI
STAFF'S FIRST SET OF
INTERROGATORIES
INTERROGATORY NO. 1
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| | | | | | | | |
|--------------|--------------------|------------------------|------------------------|------------------------|--|------|------|
| Nov-10 | 2,457,708 | 11,825,567 | | | | 4.81 | 6.79 |
| Dec-10 | 4,466,039 | 23,421,311 | | | | 5.24 | 6.10 |
| Total | 432,114,067 | \$3,389,774,401 | \$(292,649,992) | \$3,682,424,393 | | | |

- ¹ Data in columns A, D and F ties to schedule A-3 of Tampa Electric's monthly A-schedules.
- ² B = D + C
- ³ Hedge settlement total represents the savings or losses filed in Tampa Electric's Annual Risk Management True-Up Reports.
- ⁴ E = B / A

b. The statistical calculations for the data set in subpart (a) are as follows:

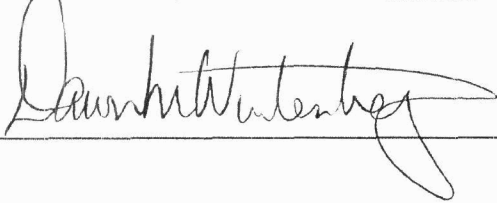
| | | |
|-------------------------------|----------------|----------------|
| Weighted Average Price | \$ 8.72 | \$ 8.87 |
| Variance | 6.76 | 3.41 |
| Standard Deviation | 2.60 | 1.85 |

A F F I D A V I T

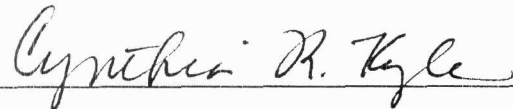
STATE OF FLORIDA)
)
COUNTY OF HILLSBOROUGH)

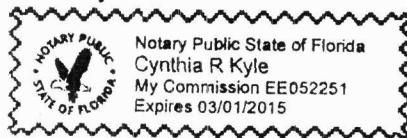
Before me the undersigned authority personally appeared Dawn Wurtenberg who deposed and said that she is a Regulatory Analyst, Tampa Electric Company, and that the individuals listed in Tampa Electric Company's response to Staff's First Set of Interrogatories, (No. 1) prepared or assisted with the responses to these interrogatories to the best of her information and belief.

Dated at Tampa, Florida this 7th day of April, 2011.



Sworn to and subscribed before me this 7th day of April, 2011.





My Commission expires _____

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and purchased power cost
recovery clause with generating
performance incentive factor.

Docket No. 110001-EI

Submitted for Filing: April 1, 2011

**PROGRESS ENERGY FLORIDA'S RESPONSES TO
STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-3)**

Progress Energy Florida, Inc. ("PEF"), responds to Staff's First Set of Interrogatories to PEF (Nos. 1-3), as follows:

INTERROGATORIES

1. Please refer to Exhibit HRB-1, Schedule 4, pages 5-6 of 183 from Gulf Power Company's 2010 True-Up Testimony and Exhibits.
 - a. Please supply a Company-specific "Natural Gas Burn Cost Variance and Hedging Effectiveness" schedule, using the same format and containing the same information as shown in Exhibit HRB-1, Schedule 4, pages 5-6 of 183, for the Company during the period from January 2003 through December 2010.

Answer: Please see Attachment A.

- b. Referring to the bottom of the Exhibit HRB-1, Schedule 4, pages 5-6 of 183, please include "Total" amounts, "Weighted Average Price," "Variance," and "Standard Deviation" for both "Gas Cost of Generation Actual Cost \$/MMBtu" and "Gas Cost of Generation Hedged \$/MMBtu."

Answer: Please see Attachment A.

2. Please refer to Exhibit HRB-1, Schedule 4, pages 5-6 of 183 from Gulf Power Company's 2010 True-Up Testimony and Exhibits.

- a. Please supply a Company-specific "Fuel Oil Burn Cost Variance and Hedging Effectiveness" schedule, using the same format and containing the same information as shown in Exhibit HRB-1, Schedule 4, pages 5-6 of 183, for the Company during the period from January 2003 through December 2010.

Answer: For Heavy Oil (No.6) - Please see Attachment B. For Light Oil (No.2) - Please see Attachment C.

- b. Referring to the bottom of the Exhibit HRB-1, Schedule 4, pages 5-6 of 183, please include "Total" amounts, "Weighted Average Price," "Variance," and "Standard Deviation" for both "Fuel Oil Cost of Generation Actual Cost \$/MMBtu" and "Fuel Oil Cost of Generation Hedged \$/MMBtu."

Answer: For Heavy Oil (No.6) - Please see Attachment B. For Light Oil (No.2) - Please see Attachment C.

3. Please refer to Exhibit HRB-1, Schedule 4, pages 5-6 of 183 from Gulf Power Company's 2010 True-Up Testimony and Exhibits. In this response, please use only fuel types that the Company hedges for "Total Fuel Cost."

a. Please supply a Company-specific "Total Fuel Cost Variance and Hedging Effectiveness" schedule, using the same format and containing the same information as shown in Exhibit HRB-1, Schedule 4, pages 5-6 of 183, for the Company during the period from January 2003 through December 2010.

Answer: Please see Attachment D.

b. Referring to the bottom of the Exhibit HRB-1, Schedule 4, pages 5-6 of 183, please include "Total" amounts, "Weighted Average Price," "Variance," and "Standard Deviation" for both "Total Fuel Cost of Generation Actual Cost \$/MMBtu" and "Total Fuel Cost of Generation Hedged \$/MMBtu."

Answer: Please see Attachment D.

Attachment A

**Natural Gas Burn Cost Variance and Hedging Effectiveness
 For the Eight Year Period 2003 - 2010**

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

| | Gas Burn for Owned Generation MMBtu a | Gas Cost for Owned Generation Actual Cost b | Total PEF Hedge Settlement \$ Savings(Cost) c | Gas Cost for Owned Generation without Hedged Settlement d = b + c | Average Gas Price of Owned Generation Actual Cost \$/MMBtu e = b / a | Average Gas Price of Generation without Hedge Savings/(Cost) \$/MMBtu f = d / a |
|--------|--|--|--|---|--|--|
| Jan-03 | 4,161,070 | \$ 23,482,631 | \$ 1,270,575 | \$ 24,753,206 | \$ 5.64 | \$ 5.95 |
| Feb-03 | 3,257,624 | \$ 19,593,492 | \$ 1,935,768 | \$ 21,529,260 | \$ 6.01 | \$ 6.61 |
| Mar-03 | 4,197,941 | \$ 36,350,847 | \$ 5,827,789 | \$ 42,178,636 | \$ 8.66 | \$ 10.05 |
| Apr-03 | 3,746,687 | \$ 21,902,859 | \$ 1,367,325 | \$ 23,270,184 | \$ 5.85 | \$ 6.21 |
| May-03 | 4,510,272 | \$ 27,911,035 | \$ 1,444,113 | \$ 29,355,148 | \$ 6.19 | \$ 6.51 |
| Jun-03 | 4,860,395 | \$ 29,718,885 | \$ 2,439,932 | \$ 32,158,817 | \$ 6.11 | \$ 6.62 |
| Jul-03 | 5,904,647 | \$ 32,613,497 | \$ 1,458,096 | \$ 34,071,593 | \$ 5.52 | \$ 5.77 |
| Aug-03 | 5,514,065 | \$ 34,954,992 | \$ 596,078 | \$ 35,551,070 | \$ 6.34 | \$ 6.45 |
| Sep-03 | 5,125,439 | \$ 34,656,056 | \$ 943,179 | \$ 35,599,235 | \$ 6.76 | \$ 6.95 |
| Oct-03 | 5,801,333 | \$ 27,747,623 | \$ 843,864 | \$ 28,591,487 | \$ 4.78 | \$ 4.93 |
| Nov-03 | 3,835,161 | \$ 17,986,543 | \$ 848,801 | \$ 18,835,344 | \$ 4.69 | \$ 4.91 |
| Dec-03 | 3,879,673 | \$ 23,192,821 | \$ 796,606 | \$ 23,989,427 | \$ 5.98 | \$ 6.18 |
| Jan-04 | 4,150,581 | \$ 24,354,309 | \$ 3,675,682 | \$ 28,029,991 | \$ 5.87 | \$ 6.75 |
| Feb-04 | 4,110,160 | \$ 23,642,324 | \$ 2,749,229 | \$ 26,391,553 | \$ 5.75 | \$ 6.42 |
| Mar-04 | 2,902,563 | \$ 18,817,365 | \$ 1,474,361 | \$ 20,291,726 | \$ 6.48 | \$ 6.99 |
| Apr-04 | 3,148,429 | \$ 19,413,072 | \$ 1,785,576 | \$ 21,198,648 | \$ 6.17 | \$ 6.73 |
| May-04 | 6,275,364 | \$ 40,230,479 | \$ 3,687,581 | \$ 43,918,060 | \$ 6.41 | \$ 7.00 |
| Jun-04 | 8,041,169 | \$ 53,881,943 | \$ 7,318,640 | \$ 61,200,583 | \$ 6.70 | \$ 7.61 |
| Jul-04 | 7,910,102 | \$ 53,243,513 | \$ 5,534,659 | \$ 58,778,172 | \$ 6.73 | \$ 7.43 |
| Aug-04 | 7,834,451 | \$ 47,117,108 | \$ 5,131,384 | \$ 52,248,492 | \$ 6.01 | \$ 6.67 |
| Sep-04 | 7,832,073 | \$ 67,129,796 | \$ 925,323 | \$ 68,055,119 | \$ 8.57 | \$ 8.69 |
| Oct-04 | 5,752,927 | \$ 20,312,726 | \$ 3,926,876 | \$ 24,239,602 | \$ 3.53 | \$ 4.21 |
| Nov-04 | 3,244,786 | \$ 21,782,168 | \$ 5,047,750 | \$ 26,829,918 | \$ 6.71 | \$ 8.27 |
| Dec-04 | 3,776,164 | \$ 26,319,270 | \$ 9,811,085 | \$ 36,130,355 | \$ 6.97 | \$ 9.57 |
| Jan-05 | 4,115,053 | \$ 28,547,088 | \$ 2,987,920 | \$ 31,535,008 | \$ 6.94 | \$ 7.66 |
| Feb-05 | 3,577,206 | \$ 23,965,126 | \$ 2,854,713 | \$ 26,819,839 | \$ 6.70 | \$ 7.50 |
| Mar-05 | 5,899,457 | \$ 40,519,117 | \$ 2,979,349 | \$ 43,498,466 | \$ 6.87 | \$ 7.37 |
| Apr-05 | 4,007,001 | \$ 30,897,203 | \$ 4,159,458 | \$ 35,056,661 | \$ 7.71 | \$ 8.75 |
| May-05 | 6,018,535 | \$ 40,960,134 | \$ 5,404,527 | \$ 46,364,661 | \$ 6.81 | \$ 7.70 |
| Jun-05 | 6,943,189 | \$ 46,535,432 | \$ 2,952,389 | \$ 49,487,821 | \$ 6.70 | \$ 7.13 |
| Jul-05 | 9,185,752 | \$ 80,914,036 | \$ 7,493,572 | \$ 88,407,608 | \$ 8.81 | \$ 9.62 |
| Aug-05 | 9,442,567 | \$ 79,621,102 | \$ 11,377,178 | \$ 90,998,280 | \$ 8.43 | \$ 9.64 |
| Sep-05 | 7,921,828 | \$ 82,727,077 | \$ 13,641,933 | \$ 96,369,010 | \$ 10.44 | \$ 12.16 |
| Oct-05 | 6,662,297 | \$ 86,490,741 | \$ 32,947,706 | \$ 119,438,447 | \$ 12.98 | \$ 17.93 |
| Nov-05 | 4,290,352 | \$ 43,712,757 | \$ 17,581,848 | \$ 61,294,605 | \$ 10.19 | \$ 14.29 |
| Dec-05 | 2,909,027 | \$ 20,749,757 | \$ 17,291,810 | \$ 38,041,567 | \$ 7.13 | \$ 13.08 |

REDACTED

Docket No. 110001-EI
 STAFF's 1st Set of Interrogatories
 Witness: Joe McCallister

| | Gas Burn for Owned Generation MMBtu a | Gas Cost for Owned Generation Actual Cost b | Total PEF Hedge Settlement \$ Savings(Cost) c | Gas Cost for Owned Generation without Hedged Settlement d = b + c | Average Gas Price of Owned Generation Actual Cost \$/MMBtu e = b / a | Average Gas Price of Generation without Hedge Savings/(Cost) \$/MMBtu f = d / a |
|--------|--|--|--|---|--|--|
| Jan-06 | 3,866,008 | \$ 35,002,206 | \$ 21,269,603 | \$ 56,271,809 | \$ 9.05 | \$ 14.56 |
| Feb-06 | 3,598,071 | \$ 26,270,919 | \$ 9,166,215 | \$ 35,437,134 | \$ 7.30 | \$ 9.85 |
| Mar-06 | 6,092,458 | \$ 44,478,133 | \$ 5,030,510 | \$ 49,508,643 | \$ 7.30 | \$ 8.13 |
| Apr-06 | 6,095,218 | \$ 50,537,604 | \$ 2,013,430 | \$ 52,551,034 | \$ 8.29 | \$ 8.62 |
| May-06 | 7,318,945 | \$ 49,483,946 | \$ 8,206,286 | \$ 57,690,232 | \$ 6.76 | \$ 7.88 |
| Jun-06 | 9,083,888 | \$ 73,685,567 | \$ 961,161 | \$ 74,646,728 | \$ 8.11 | \$ 8.22 |
| Jul-06 | 10,076,104 | \$ 69,061,986 | \$ (2,655,705) | \$ 66,406,281 | \$ 6.85 | \$ 6.59 |
| Aug-06 | 9,478,588 | \$ 67,473,442 | \$ 8,093,509 | \$ 75,566,951 | \$ 7.12 | \$ 7.97 |
| Sep-06 | 8,140,568 | \$ 63,457,038 | \$ 9,643,062 | \$ 73,100,100 | \$ 7.80 | \$ 8.98 |
| Oct-06 | 6,845,030 | \$ 37,120,129 | \$ (6,751,052) | \$ 30,369,077 | \$ 5.42 | \$ 4.44 |
| Nov-06 | 4,542,792 | \$ 35,947,298 | \$ 1,186,779 | \$ 37,134,077 | \$ 7.91 | \$ 8.17 |
| Dec-06 | 3,131,366 | \$ 27,293,038 | \$ 5,903,020 | \$ 33,196,058 | \$ 8.72 | \$ 10.60 |
| Jan-07 | 3,742,225 | \$ 30,703,640 | \$ (2,002,580) | \$ 28,701,060 | \$ 8.20 | \$ 7.67 |
| Feb-07 | 4,983,428 | \$ 40,684,493 | \$ 1,315,080 | \$ 41,999,573 | \$ 8.16 | \$ 8.43 |
| Mar-07 | 5,373,670 | \$ 43,049,332 | \$ 3,461,593 | \$ 46,510,925 | \$ 8.01 | \$ 8.66 |
| Apr-07 | 6,018,810 | \$ 51,460,105 | \$ 1,324,692 | \$ 52,784,797 | \$ 8.55 | \$ 8.77 |
| May-07 | 6,573,011 | \$ 54,072,407 | \$ 2,884,992 | \$ 56,957,399 | \$ 8.23 | \$ 8.67 |
| Jun-07 | 8,522,458 | \$ 76,899,903 | \$ 2,340,638 | \$ 79,240,541 | \$ 9.02 | \$ 9.30 |
| Jul-07 | 11,217,766 | \$ 98,567,890 | \$ (4,857,399) | \$ 93,710,491 | \$ 8.79 | \$ 8.35 |
| Aug-07 | 11,466,795 | \$ 110,619,657 | \$ (12,854,881) | \$ 97,764,776 | \$ 9.65 | \$ 8.53 |
| Sep-07 | 8,693,862 | \$ 73,875,457 | \$ (12,511,444) | \$ 61,364,013 | \$ 8.50 | \$ 7.06 |
| Oct-07 | 7,936,488 | \$ 50,891,278 | \$ (6,742,387) | \$ 44,148,891 | \$ 6.41 | \$ 5.56 |
| Nov-07 | 6,272,066 | \$ 53,240,867 | \$ (3,411,550) | \$ 49,829,317 | \$ 8.49 | \$ 7.94 |
| Dec-07 | 4,572,565 | \$ 42,477,046 | \$ (3,346,706) | \$ 39,130,340 | \$ 9.29 | \$ 8.56 |
| Jan-08 | 5,561,032 | \$ 44,239,890 | | | \$ 7.96 | |
| Feb-08 | 5,067,929 | \$ 43,087,588 | | | \$ 8.50 | |
| Mar-08 | 8,133,998 | \$ 81,059,366 | | | \$ 9.97 | |
| Apr-08 | 7,992,116 | \$ 71,862,456 | | | \$ 8.99 | |
| May-08 | 11,639,562 | \$ 122,303,829 | | | \$ 10.51 | |
| Jun-08 | 12,358,053 | \$ 136,788,985 | | | \$ 11.07 | |
| Jul-08 | 13,218,128 | \$ 141,449,851 | | | \$ 10.70 | |
| Aug-08 | 14,844,805 | \$ 166,161,819 | | | \$ 11.19 | |
| Sep-08 | 13,403,000 | \$ 119,042,034 | | | \$ 8.88 | |
| Oct-08 | 9,720,179 | \$ 90,021,776 | | | \$ 9.26 | |
| Nov-08 | 7,000,123 | \$ 70,332,561 | | | \$ 10.05 | |
| Dec-08 | 6,376,308 | \$ 70,066,169 | | | \$ 10.99 | |

REDACTED

Docket No. 110001-EI
 STAFF's 1st Set of Interrogatories
 Witness: Joe McCallister

| | Gas Burn for Owned Generation MMBtu a | Gas Cost for Owned Generation Actual Cost b | Total PEF Hedge Settlement \$ Savings(Cost) c | Gas Cost for Owned Generation without Hedged Settlement d = b + c | Average Gas Price of Owned Generation Actual Cost \$/MMBtu e = b / a | Average Gas Price of Generation without Hedge Savings/(Cost) \$/MMBtu f = d / a |
|--------------|--|--|--|---|--|--|
| Jan-09 | 8,353,147 | \$ 82,054,182 | | | \$ 9.82 | |
| Feb-09 | 7,453,099 | \$ 72,991,112 | | | \$ 9.79 | |
| Mar-09 | 7,602,003 | \$ 80,206,630 | | | \$ 10.55 | |
| Apr-09 | 7,839,984 | \$ 70,319,599 | | | \$ 8.97 | |
| May-09 | 11,371,795 | \$ 105,353,224 | | | \$ 9.26 | |
| Jun-09 | 15,579,025 | \$ 125,536,927 | | | \$ 8.06 | |
| Jul-09 | 15,846,170 | \$ 132,873,752 | | | \$ 8.39 | |
| Aug-09 | 17,078,171 | \$ 142,983,136 | | | \$ 8.37 | |
| Sep-09 | 17,340,384 | \$ 128,475,575 | | | \$ 7.41 | |
| Oct-09 | 16,334,144 | \$ 126,657,776 | | | \$ 7.75 | |
| Nov-09 | 12,697,507 | \$ 91,931,667 | | | \$ 7.24 | |
| Dec-09 | 10,465,256 | \$ 83,473,887 | | | \$ 7.98 | |
| Jan-10 | 12,973,521 | \$ 115,394,868 | | | \$ 8.89 | |
| Feb-10 | 12,987,824 | \$ 89,822,669 | | | \$ 6.92 | |
| Mar-10 | 13,615,421 | \$ 93,962,677 | | | \$ 6.90 | |
| Apr-10 | 13,748,074 | \$ 90,555,655 | | | \$ 6.59 | |
| May-10 | 18,588,239 | \$ 125,485,064 | | | \$ 6.75 | |
| Jun-10 | 18,702,727 | \$ 127,649,271 | | | \$ 6.83 | |
| Jul-10 | 18,531,000 | \$ 134,243,352 | | | \$ 7.24 | |
| Aug-10 | 18,063,350 | \$ 135,457,326 | | | \$ 7.50 | |
| Sep-10 | 17,811,774 | \$ 110,755,883 | | | \$ 6.22 | |
| Oct-10 | 14,121,203 | \$ 98,169,511 | | | \$ 6.95 | |
| Nov-10 | 11,742,533 | \$ 67,954,163 | | | \$ 5.79 | |
| Dec-10 | 15,404,702 | \$ 114,233,058 | | | \$ 7.42 | |
| TOTAL | 803,953,808 | \$ 6,361,305,591 | \$ (502,120,748) | \$ 5,859,184,843 | | |

Weighted Average Price

| | | | |
|----|------|----|------|
| \$ | 7.91 | \$ | 7.29 |
|----|------|----|------|

| | | |
|--------------------|------|------|
| Variance | 2.67 | 7.39 |
| Standard Deviation | 1.63 | 2.72 |

Attachment B

**Heavy Oil (No. 6) Burn Cost Variance and Hedging Effectiveness
 For the Eight Year Period 2003**

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

| | Heavy Oil Burn for Owned Generation MMBtu a | Heavy Oil Cost for Owned Generation Actual Cost b | Total PEF Hedge Settlement \$ Savings(Cost) c | Heavy Oil Cost for Owned Generation without Hedged Settlement d = b + c | Average Heavy Oil Price of Owned Generation Actual Cost \$/MMBtu e = b / a | Average Heavy Oil Price of Generation without Hedge Savings/(Cost) \$/MMBtu f = d / a |
|--------|--|--|--|---|--|--|
| Jan-03 | 5,847,849 | \$ 21,679,259 | \$ 357,817 | \$ 22,037,076 | \$ 3.71 | \$ 3.77 |
| Feb-03 | 3,062,101 | \$ 14,109,663 | \$ (1,484) | \$ 14,108,179 | \$ 4.61 | \$ 4.61 |
| Mar-03 | 3,894,528 | \$ 18,224,013 | \$ (688,913) | \$ 17,535,100 | \$ 4.68 | \$ 4.50 |
| Apr-03 | 4,611,753 | \$ 21,163,487 | \$ (896,594) | \$ 20,266,893 | \$ 4.59 | \$ 4.39 |
| May-03 | 7,405,958 | \$ 29,564,290 | \$ - | \$ 29,564,290 | \$ 3.99 | \$ 3.99 |
| Jun-03 | 7,577,787 | \$ 28,850,068 | \$ - | \$ 28,850,068 | \$ 3.81 | \$ 3.81 |
| Jul-03 | 7,752,117 | \$ 30,793,614 | \$ - | \$ 30,793,614 | \$ 3.97 | \$ 3.97 |
| Aug-03 | 7,328,659 | \$ 31,099,674 | \$ - | \$ 31,099,674 | \$ 4.24 | \$ 4.24 |
| Sep-03 | 7,512,688 | \$ 31,230,256 | \$ - | \$ 31,230,256 | \$ 4.16 | \$ 4.16 |
| Oct-03 | 6,759,015 | \$ 27,425,647 | \$ - | \$ 27,425,647 | \$ 4.06 | \$ 4.06 |
| Nov-03 | 3,419,691 | \$ 14,513,117 | \$ - | \$ 14,513,117 | \$ 4.24 | \$ 4.24 |
| Dec-03 | 4,753,884 | \$ 19,483,939 | \$ - | \$ 19,483,939 | \$ 4.10 | \$ 4.10 |
| Jan-04 | 4,525,712 | \$ 17,676,897 | \$ - | \$ 17,676,897 | \$ 3.91 | \$ 3.91 |
| Feb-04 | 4,814,222 | \$ 18,389,259 | \$ - | \$ 18,389,259 | \$ 3.82 | \$ 3.82 |
| Mar-04 | 4,641,105 | \$ 17,682,923 | \$ - | \$ 17,682,923 | \$ 3.81 | \$ 3.81 |
| Apr-04 | 4,916,279 | \$ 19,339,028 | \$ - | \$ 19,339,028 | \$ 3.93 | \$ 3.93 |
| May-04 | 6,468,129 | \$ 27,338,072 | \$ - | \$ 27,338,072 | \$ 4.23 | \$ 4.23 |
| Jun-04 | 7,514,309 | \$ 34,608,287 | \$ 33,750 | \$ 34,642,037 | \$ 4.61 | \$ 4.61 |
| Jul-04 | 8,177,785 | \$ 37,031,874 | \$ (218,917) | \$ 36,812,957 | \$ 4.53 | \$ 4.50 |
| Aug-04 | 8,195,235 | \$ 37,122,541 | \$ (181,341) | \$ 36,941,200 | \$ 4.53 | \$ 4.51 |
| Sep-04 | 6,899,656 | \$ 30,999,673 | \$ (163,500) | \$ 30,836,173 | \$ 4.49 | \$ 4.47 |
| Oct-04 | 7,290,947 | \$ 33,140,100 | \$ 1,573,850 | \$ 34,713,950 | \$ 4.55 | \$ 4.76 |
| Nov-04 | 3,474,289 | \$ 16,142,819 | \$ (223,900) | \$ 15,918,919 | \$ 4.65 | \$ 4.58 |
| Dec-04 | 4,175,518 | \$ 20,081,937 | \$ (1,578,375) | \$ 18,503,562 | \$ 4.81 | \$ 4.43 |
| Jan-05 | 4,160,330 | \$ 20,633,270 | \$ (577,580) | \$ 20,055,690 | \$ 4.96 | \$ 4.82 |
| Feb-05 | 3,069,005 | \$ 15,027,015 | \$ (34,200) | \$ 14,992,815 | \$ 4.90 | \$ 4.89 |
| Mar-05 | 4,567,914 | \$ 21,855,190 | \$ 1,227,800 | \$ 23,082,990 | \$ 4.78 | \$ 5.05 |
| Apr-05 | 3,767,003 | \$ 18,658,972 | \$ 3,261,750 | \$ 21,920,722 | \$ 4.95 | \$ 5.82 |
| May-05 | 5,355,710 | \$ 27,400,111 | \$ 5,282,850 | \$ 32,682,961 | \$ 5.12 | \$ 6.10 |
| Jun-05 | 6,452,446 | \$ 32,969,536 | \$ 7,716,090 | \$ 40,685,626 | \$ 5.11 | \$ 6.31 |
| Jul-05 | 8,517,759 | \$ 44,838,417 | \$ 9,118,260 | \$ 53,956,677 | \$ 5.26 | \$ 6.33 |
| Aug-05 | 7,959,368 | \$ 44,074,218 | \$ 11,850,640 | \$ 55,924,858 | \$ 5.54 | \$ 7.03 |
| Sep-05 | 7,540,142 | \$ 42,659,953 | \$ 14,499,930 | \$ 57,159,883 | \$ 5.66 | \$ 7.58 |
| Oct-05 | 6,192,519 | \$ 33,529,307 | \$ 8,021,845 | \$ 41,551,152 | \$ 5.41 | \$ 6.71 |
| Nov-05 | 4,833,498 | \$ 29,517,868 | \$ 4,911,640 | \$ 34,429,508 | \$ 6.11 | \$ 7.12 |
| Dec-05 | 5,629,701 | \$ 36,069,143 | \$ 5,107,640 | \$ 41,176,783 | \$ 6.41 | \$ 7.31 |

REDACTED

Docket No. 110001-EI
STAFF's 1st Set of Interrogatories
Witness: Joe McCallister

| | Heavy Oil Burn for Owned Generation MMBtu | Heavy Oil Cost for Owned Generation Actual Cost | Total PEF Hedge Settlement \$ Savings(Cost) | Heavy Oil Cost for Owned Generation without Hedged Settlement | Average Heavy Oil Price of Owned Generation Actual Cost \$/MMBtu | Average Heavy Oil Price of Generation without Hedge Savings/(Cost) \$/MMBtu |
|--------|---|---|---|--|---|---|
| | a | b | c | d = b + c | e = b / a | f = d / a |
| Jan-06 | 3,587,124 | \$ 22,544,665 | \$ 3,942,845 | \$ 26,487,510 | \$ 6.28 | \$ 7.38 |
| Feb-06 | 2,693,493 | \$ 17,140,247 | \$ 4,144,450 | \$ 21,284,697 | \$ 6.36 | \$ 7.90 |
| Mar-06 | 2,685,117 | \$ 17,045,846 | \$ 3,964,635 | \$ 21,010,481 | \$ 6.35 | \$ 7.82 |
| Apr-06 | 2,973,006 | \$ 18,710,260 | \$ 6,772,200 | \$ 25,482,460 | \$ 6.29 | \$ 8.57 |
| May-06 | 4,236,592 | \$ 25,539,496 | \$ 9,436,716 | \$ 34,976,212 | \$ 6.03 | \$ 8.26 |
| Jun-06 | 5,702,474 | \$ 35,670,742 | \$ 8,585,052 | \$ 44,255,794 | \$ 6.26 | \$ 7.76 |
| Jul-06 | 6,379,332 | \$ 41,318,438 | \$ 9,229,300 | \$ 50,547,738 | \$ 6.48 | \$ 7.92 |
| Aug-06 | 6,635,965 | \$ 43,721,389 | \$ 9,882,400 | \$ 53,603,789 | \$ 6.59 | \$ 8.08 |
| Sep-06 | 5,147,721 | \$ 32,645,037 | \$ 4,640,100 | \$ 37,285,137 | \$ 6.34 | \$ 7.24 |
| Oct-06 | 3,338,608 | \$ 20,255,651 | \$ 142,500 | \$ 20,398,151 | \$ 6.07 | \$ 6.11 |
| Nov-06 | 2,346,233 | \$ 15,045,664 | \$ (741,816) | \$ 14,303,848 | \$ 6.41 | \$ 6.10 |
| Dec-06 | 2,696,903 | \$ 18,232,361 | \$ (1,459,341) | \$ 16,773,021 | \$ 6.76 | \$ 6.22 |
| Jan-07 | 2,388,647 | \$ 16,757,444 | \$ (5,792,610) | \$ 10,964,834 | \$ 7.02 | \$ 4.59 |
| Feb-07 | 3,686,010 | \$ 28,714,472 | \$ (3,983,105) | \$ 24,731,367 | \$ 7.79 | \$ 6.71 |
| Mar-07 | 3,124,160 | \$ 23,875,997 | \$ (3,017,260) | \$ 20,858,737 | \$ 7.64 | \$ 6.68 |
| Apr-07 | 3,106,627 | \$ 24,352,884 | \$ (1,305,930) | \$ 23,046,954 | \$ 7.84 | \$ 7.42 |
| May-07 | 4,704,526 | \$ 36,552,150 | \$ 614,825 | \$ 37,166,975 | \$ 7.77 | \$ 7.90 |
| Jun-07 | 5,266,329 | \$ 42,026,887 | \$ 1,671,000 | \$ 43,697,887 | \$ 7.98 | \$ 8.30 |
| Jul-07 | 5,275,938 | \$ 43,690,300 | \$ 4,175,743 | \$ 47,866,043 | \$ 8.28 | \$ 9.07 |
| Aug-07 | 6,360,734 | \$ 51,971,254 | \$ 2,549,627 | \$ 54,520,881 | \$ 8.17 | \$ 8.57 |
| Sep-07 | 4,726,048 | \$ 39,623,287 | \$ 4,204,761 | \$ 43,828,048 | \$ 8.38 | \$ 9.27 |
| Oct-07 | 4,882,865 | \$ 40,812,056 | \$ 5,150,182 | \$ 45,962,238 | \$ 8.36 | \$ 9.41 |
| Nov-07 | 2,601,092 | \$ 20,611,936 | \$ 7,243,338 | \$ 27,855,274 | \$ 7.92 | \$ 10.71 |
| Dec-07 | 2,318,898 | \$ 17,979,973 | \$ 6,871,453 | \$ 24,851,426 | \$ 7.75 | \$ 10.72 |
| Jan-08 | 2,525,363 | \$ 20,840,464 | | | \$ 8.25 | |
| Feb-08 | 1,623,343 | \$ 14,726,179 | | | \$ 9.07 | |
| Mar-08 | 1,303,063 | \$ 9,535,049 | | | \$ 7.32 | |
| Apr-08 | 2,072,262 | \$ 16,080,787 | | | \$ 7.76 | |
| May-08 | 2,649,044 | \$ 23,973,442 | | | \$ 9.05 | |
| Jun-08 | 3,652,663 | \$ 35,795,784 | | | \$ 9.80 | |
| Jul-08 | 2,400,730 | \$ 21,567,264 | | | \$ 8.98 | |
| Aug-08 | 2,494,848 | \$ 17,703,421 | | | \$ 7.10 | |
| Sep-08 | 2,652,712 | \$ 20,251,280 | | | \$ 7.63 | |
| Oct-08 | 2,376,144 | \$ 19,886,443 | | | \$ 8.37 | |
| Nov-08 | 2,268,917 | \$ 22,456,226 | | | \$ 9.90 | |
| Dec-08 | 2,242,049 | \$ 22,910,413 | | | \$ 10.22 | |

REDACTED

Docket No. 110001-EI
 STAFF's 1st Set of Interrogatories
 Witness: Joe McCallister

| | Heavy Oil Burn for Owned Generation MMBtu a | Heavy Oil Cost for Owned Generation Actual Cost b | Total PEF Hedge Settlement \$ Savings(Cost) c | Heavy Oil Cost for Owned Generation without Hedged Settlement d = b + c | Average Heavy Oil Price of Owned Generation Actual Cost \$/MMBtu e = b / a | Average Heavy Oil Price of Generation without Hedge Savings/(Cost) \$/MMBtu f = d / a |
|-------------------------------|--|--|--|---|--|--|
| Jan-09 | 2,437,731 | \$ 25,976,525 | | | \$ 10.66 | |
| Feb-09 | 1,948,173 | \$ 18,603,832 | | | \$ 9.55 | |
| Mar-09 | 1,535,633 | \$ 13,374,008 | | | \$ 8.71 | |
| Apr-09 | 841,804 | \$ 6,827,028 | | | \$ 8.11 | |
| May-09 | 1,004,395 | \$ 8,254,450 | | | \$ 8.22 | |
| Jun-09 | 1,121,951 | \$ 9,839,150 | | | \$ 8.77 | |
| Jul-09 | 631,622 | \$ 5,713,276 | | | \$ 9.05 | |
| Aug-09 | 654,057 | \$ 6,099,069 | | | \$ 9.32 | |
| Sep-09 | 189,645 | \$ 1,935,223 | | | \$ 10.20 | |
| Oct-09 | 987,027 | \$ 10,607,028 | | | \$ 10.75 | |
| Nov-09 | 337,061 | \$ 3,729,250 | | | \$ 11.06 | |
| Dec-09 | 70,348 | \$ 756,135 | | | \$ 10.75 | |
| Jan-10 | 2,282,363 | \$ 24,734,257 | | | \$ 10.84 | |
| Feb-10 | 394,549 | \$ 4,556,744 | | | \$ 11.55 | |
| Mar-10 | 200,808 | \$ 2,289,073 | | | \$ 11.40 | |
| Apr-10 | - | \$ - | | | | No heavy oil burn, null data point |
| May-10 | 487,664 | \$ 5,275,290 | | | \$ 10.82 | |
| Jun-10 | 1,620,001 | \$ 16,912,963 | | | \$ 10.44 | |
| Jul-10 | 860,225 | \$ 8,905,666 | | | \$ 10.35 | |
| Aug-10 | 1,100,287 | \$ 11,553,209 | | | \$ 10.50 | |
| Sep-10 | 458,360 | \$ 4,837,268 | | | \$ 10.55 | |
| Oct-10 | 129,421 | \$ 1,376,034 | | | \$ 10.63 | |
| Nov-10 | 6,418 | \$ 248,264 | | | | Very low heavy oil burn, outlier data point |
| Dec-10 | 864,041 | \$ 9,530,892 | | | \$ 11.03 | |
| TOTAL | 354,353,775 | \$ 2,107,423,259 | \$ 238,220,823 | \$ 2,345,644,082 | | |
| Weighted Average Price | | | | | \$ 5.95 | \$ 6.62 |

| | | |
|--------------------|------|-------|
| Variance | 5.53 | 13.21 |
| Standard Deviation | 2.35 | 3.63 |

Attachment C

**Light Oil (No. 2) Burn Cost Variance and Hedging Effectiveness
 For the Eight Year Period 2003 - 2010**

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

| | Light Oil Burn for Owned Generation MMBtu a | Light Oil Cost for Owned Generation Actual Cost b | Total PEF Hedge Settlement \$ Savings(Cost) c | Light Oil Cost for Owned Generation without Hedged Settlement d = b + c | Average Light Oil Price of Owned Generation Actual Cost \$/MMBtu e = b / a | Average Light Oil Price of Generation without Hedge Savings/(Cost) \$/MMBtu f = d / a |
|--------|--|--|--|---|--|--|
| Jan-03 | 785,488 | \$ 4,599,670 | \$ - | \$ 4,599,670 | \$ 5.86 | \$ 5.86 |
| Feb-03 | 203,209 | \$ 1,331,526 | \$ - | \$ 1,331,526 | \$ 6.55 | \$ 6.55 |
| Mar-03 | 300,505 | \$ 1,981,859 | \$ - | \$ 1,981,859 | \$ 6.60 | \$ 6.60 |
| Apr-03 | 307,152 | \$ 1,942,872 | \$ - | \$ 1,942,872 | \$ 6.33 | \$ 6.33 |
| May-03 | 735,406 | \$ 4,557,676 | \$ - | \$ 4,557,676 | \$ 6.20 | \$ 6.20 |
| Jun-03 | 733,649 | \$ 4,574,173 | \$ - | \$ 4,574,173 | \$ 6.23 | \$ 6.23 |
| Jul-03 | 879,347 | \$ 5,498,709 | \$ - | \$ 5,498,709 | \$ 6.25 | \$ 6.25 |
| Aug-03 | 549,332 | \$ 3,496,973 | \$ - | \$ 3,496,973 | \$ 6.37 | \$ 6.37 |
| Sep-03 | 560,788 | \$ 3,537,886 | \$ - | \$ 3,537,886 | \$ 6.31 | \$ 6.31 |
| Oct-03 | 453,807 | \$ 2,849,816 | \$ - | \$ 2,849,816 | \$ 6.28 | \$ 6.28 |
| Nov-03 | 487,271 | \$ 2,895,184 | \$ - | \$ 2,895,184 | \$ 5.94 | \$ 5.94 |
| Dec-03 | 217,494 | \$ 1,371,647 | \$ - | \$ 1,371,647 | \$ 6.31 | \$ 6.31 |
| Jan-04 | 133,898 | \$ 848,291 | \$ - | \$ 848,291 | \$ 6.34 | \$ 6.34 |
| Feb-04 | 264,142 | \$ 1,794,065 | \$ - | \$ 1,794,065 | \$ 6.79 | \$ 6.79 |
| Mar-04 | 76,569 | \$ 520,985 | \$ - | \$ 520,985 | \$ 6.80 | \$ 6.80 |
| Apr-04 | 135,433 | \$ 941,293 | \$ - | \$ 941,293 | \$ 6.95 | \$ 6.95 |
| May-04 | 459,576 | \$ 3,544,502 | \$ - | \$ 3,544,502 | \$ 7.71 | \$ 7.71 |
| Jun-04 | 1,136,086 | \$ 8,682,437 | \$ - | \$ 8,682,437 | \$ 7.64 | \$ 7.64 |
| Jul-04 | 1,046,465 | \$ 8,212,403 | \$ - | \$ 8,212,403 | \$ 7.85 | \$ 7.85 |
| Aug-04 | 846,209 | \$ 7,073,991 | \$ - | \$ 7,073,991 | \$ 8.36 | \$ 8.36 |
| Sep-04 | 685,545 | \$ 5,893,592 | \$ - | \$ 5,893,592 | \$ 8.60 | \$ 8.60 |
| Oct-04 | 478,671 | \$ 4,373,075 | \$ - | \$ 4,373,075 | \$ 9.14 | \$ 9.14 |
| Nov-04 | 105,252 | \$ 1,054,555 | \$ - | \$ 1,054,555 | \$ 10.02 | \$ 10.02 |
| Dec-04 | 550,227 | \$ 4,923,909 | \$ - | \$ 4,923,909 | \$ 8.95 | \$ 8.95 |
| Jan-05 | 363,506 | \$ 3,381,448 | \$ - | \$ 3,381,448 | \$ 9.30 | \$ 9.30 |
| Feb-05 | 121,658 | \$ 1,167,104 | \$ - | \$ 1,167,104 | \$ 9.59 | \$ 9.59 |
| Mar-05 | 207,537 | \$ 1,947,480 | \$ - | \$ 1,947,480 | \$ 9.38 | \$ 9.38 |
| Apr-05 | 108,116 | \$ 1,073,360 | \$ - | \$ 1,073,360 | \$ 9.93 | \$ 9.93 |
| May-05 | 172,454 | \$ 1,733,454 | \$ - | \$ 1,733,454 | \$ 10.05 | \$ 10.05 |
| Jun-05 | 457,154 | \$ 4,378,692 | \$ - | \$ 4,378,692 | \$ 9.58 | \$ 9.58 |
| Jul-05 | 1,326,167 | \$ 13,508,358 | \$ - | \$ 13,508,358 | \$ 10.19 | \$ 10.19 |
| Aug-05 | 1,679,659 | \$ 19,428,665 | \$ - | \$ 19,428,665 | \$ 11.57 | \$ 11.57 |
| Sep-05 | 559,597 | \$ 6,889,416 | \$ - | \$ 6,889,416 | \$ 12.31 | \$ 12.31 |
| Oct-05 | 548,414 | \$ 7,263,736 | \$ - | \$ 7,263,736 | \$ 13.24 | \$ 13.24 |
| Nov-05 | 68,961 | \$ 965,623 | \$ - | \$ 965,623 | \$ 14.00 | \$ 14.00 |
| Dec-05 | 655,944 | \$ 8,388,644 | \$ - | \$ 8,388,644 | \$ 12.79 | \$ 12.79 |

REDACTED

Docket No. 110001-EI
 STAFF's 1st Set of Interrogatories
 Witness: Joe McCallister

| | Light Oil Burn for Owned Generation MMBtu a | Light Oil Cost for Owned Generation Actual Cost b | Total PEF Hedge Settlement \$ Savings(Cost) c | Light Oil Cost for Owned Generation without Hedged Settlement d = b + c | Average Light Oil Price of Owned Generation Actual Cost \$/MMBtu e = b / a | Average Light Oil Price of Generation without Hedge Savings/(Cost) \$/MMBtu f = d / a |
|--------|--|--|--|---|--|--|
| Jan-06 | 164,969 | \$ 2,387,461 | \$ - | \$ 2,387,461 | \$ 14.47 | \$ 14.47 |
| Feb-06 | 237,389 | \$ 3,446,283 | \$ - | \$ 3,446,283 | \$ 14.52 | \$ 14.52 |
| Mar-06 | 60,247 | \$ 867,958 | \$ - | \$ 867,958 | \$ 14.41 | \$ 14.41 |
| Apr-06 | 484,640 | \$ 7,155,675 | \$ - | \$ 7,155,675 | \$ 14.76 | \$ 14.76 |
| May-06 | 257,102 | \$ 3,552,401 | \$ - | \$ 3,552,401 | \$ 13.82 | \$ 13.82 |
| Jun-06 | 620,985 | \$ 8,690,248 | \$ (48,909) | \$ 8,641,339 | \$ 13.99 | \$ 13.92 |
| Jul-06 | 535,890 | \$ 7,585,652 | \$ (38,010) | \$ 7,547,642 | \$ 14.16 | \$ 14.08 |
| Aug-06 | 960,518 | \$ 13,907,744 | \$ 51,513 | \$ 13,959,257 | \$ 14.48 | \$ 14.53 |
| Sep-06 | 292,598 | \$ 4,320,106 | \$ - | \$ 4,320,106 | \$ 14.76 | \$ 14.76 |
| Oct-06 | 342,324 | \$ 4,931,892 | \$ (519,708) | \$ 4,412,184 | \$ 14.41 | \$ 12.89 |
| Nov-06 | 75,528 | \$ 1,116,397 | \$ (564,480) | \$ 551,917 | \$ 14.78 | \$ 7.31 |
| Dec-06 | 74,525 | \$ 1,239,495 | \$ (487,116) | \$ 752,379 | \$ 16.63 | \$ 10.10 |
| Jan-07 | 80,660 | \$ 1,419,608 | \$ (387,156) | \$ 1,032,452 | \$ 17.60 | \$ 12.80 |
| Feb-07 | 149,009 | \$ 2,229,883 | \$ (267,036) | \$ 1,962,847 | \$ 14.96 | \$ 13.17 |
| Mar-07 | 66,807 | \$ 1,751,554 | \$ (217,056) | \$ 1,534,498 | \$ 26.22 | \$ 22.97 |
| Apr-07 | 115,419 | \$ 1,912,025 | \$ (33,138) | \$ 1,878,887 | \$ 16.57 | \$ 16.28 |
| May-07 | 157,639 | \$ 2,440,996 | \$ 117,579 | \$ 2,558,575 | \$ 15.48 | \$ 16.23 |
| Jun-07 | 191,336 | \$ 2,797,729 | \$ 199,710 | \$ 2,997,439 | \$ 14.62 | \$ 15.67 |
| Jul-07 | 697,610 | \$ 10,401,434 | \$ 364,413 | \$ 10,765,847 | \$ 14.91 | \$ 15.43 |
| Aug-07 | 1,235,993 | \$ 18,666,931 | \$ 353,136 | \$ 19,020,067 | \$ 15.10 | \$ 15.39 |
| Sep-07 | 146,590 | \$ 2,240,190 | \$ 269,094 | \$ 2,509,284 | \$ 15.28 | \$ 17.12 |
| Oct-07 | 831,718 | \$ 12,752,283 | \$ 370,587 | \$ 13,122,870 | \$ 15.33 | \$ 15.78 |
| Nov-07 | 542,332 | \$ 3,354,231 | \$ 91,812 | \$ 3,446,043 | \$ 6.18 | \$ 6.35 |
| Dec-07 | 70,756 | \$ 1,082,541 | \$ 81,501 | \$ 1,164,042 | \$ 15.30 | \$ 16.45 |
| Jan-08 | 101,844 | \$ 1,633,439 | | | \$ 16.04 | |
| Feb-08 | 64,007 | \$ 1,055,617 | | | \$ 16.49 | |
| Mar-08 | 87,154 | \$ 1,425,345 | | | \$ 16.35 | |
| Apr-08 | 276,049 | \$ 4,249,825 | | | \$ 15.40 | |
| May-08 | 242,503 | \$ 3,896,990 | | | \$ 16.07 | |
| Jun-08 | 208,889 | \$ 3,250,619 | | | \$ 15.56 | |
| Jul-08 | 205,450 | \$ 3,226,618 | | | \$ 15.71 | |
| Aug-08 | 457,325 | \$ 6,367,461 | | | \$ 13.92 | |
| Sep-08 | 159,915 | \$ 2,686,413 | | | \$ 16.80 | |
| Oct-08 | 149,360 | \$ 2,607,565 | | | \$ 17.46 | |
| Nov-08 | 100,524 | \$ 1,754,488 | | | \$ 17.45 | |
| Dec-08 | 104,217 | \$ 1,996,961 | | | \$ 19.16 | |

REDACTED

Docket No. 110001-EI
 STAFF's 1st Set of Interrogatories
 Witness: Joe McCallister

| | Light Oil Burn for Owned Generation MMBtu a | Light Oil Cost for Owned Generation Actual Cost b | Total PEF Hedge Settlement \$ Savings(Cost) c | Light Oil Cost for Owned Generation without Hedged Settlement d = b + c | Average Light Oil Price of Owned Generation Actual Cost \$/MMBtu e = b / a | Average Light Oil Price of Generation without Hedge Savings/(Cost) \$/MMBtu f = d / a |
|--------------|--|--|--|---|--|--|
| Jan-09 | 335,884 | \$ 5,878,499 | | | \$ 17.50 | |
| Feb-09 | 550,376 | \$ 9,890,524 | | | \$ 17.97 | |
| Mar-09 | 419,748 | \$ 8,040,194 | | | \$ 19.15 | |
| Apr-09 | 122,180 | \$ 2,066,632 | | | \$ 16.91 | |
| May-09 | 280,829 | \$ 4,935,265 | | | \$ 17.57 | |
| Jun-09 | 536,695 | \$ 8,720,401 | | | \$ 16.25 | |
| Jul-09 | 341,955 | \$ 5,968,690 | | | \$ 17.45 | |
| Aug-09 | 261,270 | \$ 4,303,784 | | | \$ 16.47 | |
| Sep-09 | 183,211 | \$ 2,730,911 | | | \$ 14.91 | |
| Oct-09 | 190,087 | \$ 3,061,864 | | | \$ 16.11 | |
| Nov-09 | 53,295 | \$ 1,014,676 | | | \$ 19.04 | |
| Dec-09 | 64,662 | \$ 1,246,384 | | | \$ 19.28 | |
| Jan-10 | 2,570,804 | \$ 40,128,841 | | | \$ 15.61 | |
| Feb-10 | 133,870 | \$ 2,285,052 | | | \$ 17.07 | |
| Mar-10 | 48,103 | \$ 795,025 | | | \$ 16.53 | |
| Apr-10 | 54,084 | \$ 928,192 | | | \$ 17.16 | |
| May-10 | 222,174 | \$ 3,793,262 | | | \$ 17.07 | |
| Jun-10 | 296,544 | \$ 4,945,811 | | | \$ 16.68 | |
| Jul-10 | 221,234 | \$ 3,592,854 | | | \$ 16.24 | |
| Aug-10 | 147,900 | \$ 2,437,907 | | | \$ 16.48 | |
| Sep-10 | 103,980 | \$ 1,751,892 | | | \$ 16.85 | |
| Oct-10 | 122,562 | \$ 2,029,426 | | | \$ 16.56 | |
| Nov-10 | 56,873 | \$ 1,025,052 | | | \$ 18.02 | |
| Dec-10 | 1,016,873 | \$ 16,454,597 | | | \$ 16.18 | |
| TOTAL | 37,285,701 | \$ 449,054,862 | \$ 3,218,446 | \$ 452,273,308 | | |

Weighted Average Price

| | | | |
|----|-------|----|-------|
| \$ | 12.04 | \$ | 12.13 |
|----|-------|----|-------|

| | | |
|--------------------|-------|-------|
| Variance | 19.20 | 30.22 |
| Standard Deviation | 4.38 | 5.50 |

Attachment D

**Total Burn Cost Variance and Hedging Effectiveness
 For the Eight Year Period 2003 - 2010**

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

| | Total Burn for Owned Generation MMBtu | Total Cost for Owned Generation Actual Cost | Total PEF Hedge Settlement \$ Savings(Cost) | Total Cost for Owned Generation without Hedged Settlement | Average Price of Owned Generation Actual Cost \$/MMBtu | Average Price of Generation without Hedge Savings/(Cost) \$/MMBtu |
|--------|---|---|---|--|---|---|
| | a | b | c | d = b + c | e = b / a | f = d / a |
| Jan-03 | 10,794,407 | \$ 49,761,560 | \$ 1,628,392 | \$ 51,389,952 | \$ 4.61 | \$ 4.76 |
| Feb-03 | 6,522,934 | \$ 35,034,681 | \$ 1,934,284 | \$ 36,968,965 | \$ 5.37 | \$ 5.67 |
| Mar-03 | 8,392,974 | \$ 56,556,719 | \$ 5,138,876 | \$ 61,695,595 | \$ 6.74 | \$ 7.35 |
| Apr-03 | 8,665,592 | \$ 45,009,218 | \$ 470,731 | \$ 45,479,949 | \$ 5.19 | \$ 5.25 |
| May-03 | 12,651,636 | \$ 62,033,001 | \$ 1,444,113 | \$ 63,477,114 | \$ 4.90 | \$ 5.02 |
| Jun-03 | 13,171,831 | \$ 63,143,126 | \$ 2,439,932 | \$ 65,583,058 | \$ 4.79 | \$ 4.98 |
| Jul-03 | 14,536,111 | \$ 68,905,820 | \$ 1,458,096 | \$ 70,363,916 | \$ 4.74 | \$ 4.84 |
| Aug-03 | 13,392,057 | \$ 69,551,639 | \$ 596,078 | \$ 70,147,717 | \$ 5.19 | \$ 5.24 |
| Sep-03 | 13,198,916 | \$ 69,424,198 | \$ 943,179 | \$ 70,367,377 | \$ 5.26 | \$ 5.33 |
| Oct-03 | 13,014,156 | \$ 58,023,086 | \$ 843,864 | \$ 58,866,950 | \$ 4.46 | \$ 4.52 |
| Nov-03 | 7,742,124 | \$ 35,394,844 | \$ 848,801 | \$ 36,243,645 | \$ 4.57 | \$ 4.68 |
| Dec-03 | 8,851,052 | \$ 44,048,407 | \$ 796,606 | \$ 44,845,013 | \$ 4.98 | \$ 5.07 |
| Jan-04 | 8,810,191 | \$ 42,879,497 | \$ 3,675,682 | \$ 46,555,179 | \$ 4.87 | \$ 5.28 |
| Feb-04 | 9,188,524 | \$ 43,825,648 | \$ 2,749,229 | \$ 46,574,877 | \$ 4.77 | \$ 5.07 |
| Mar-04 | 7,620,237 | \$ 37,021,273 | \$ 1,474,361 | \$ 38,495,634 | \$ 4.86 | \$ 5.05 |
| Apr-04 | 8,200,141 | \$ 39,693,393 | \$ 1,785,576 | \$ 41,478,969 | \$ 4.84 | \$ 5.06 |
| May-04 | 13,203,069 | \$ 71,113,053 | \$ 3,687,581 | \$ 74,800,634 | \$ 5.39 | \$ 5.67 |
| Jun-04 | 16,691,564 | \$ 97,172,667 | \$ 7,352,390 | \$ 104,525,057 | \$ 5.82 | \$ 6.26 |
| Jul-04 | 17,134,352 | \$ 98,487,790 | \$ 5,315,743 | \$ 103,803,533 | \$ 5.75 | \$ 6.06 |
| Aug-04 | 16,875,895 | \$ 91,313,640 | \$ 4,950,043 | \$ 96,263,683 | \$ 5.41 | \$ 5.70 |
| Sep-04 | 15,417,274 | \$ 104,023,061 | \$ 761,823 | \$ 104,784,884 | \$ 6.75 | \$ 6.80 |
| Oct-04 | 13,522,545 | \$ 57,825,901 | \$ 5,500,726 | \$ 63,326,627 | \$ 4.28 | \$ 4.68 |
| Nov-04 | 6,824,327 | \$ 38,979,542 | \$ 4,823,850 | \$ 43,803,392 | \$ 5.71 | \$ 6.42 |
| Dec-04 | 8,501,909 | \$ 51,325,116 | \$ 8,232,710 | \$ 59,557,826 | \$ 6.04 | \$ 7.01 |
| Jan-05 | 8,638,889 | \$ 52,561,806 | \$ 2,410,340 | \$ 54,972,146 | \$ 6.08 | \$ 6.36 |
| Feb-05 | 6,767,869 | \$ 40,159,245 | \$ 2,820,513 | \$ 42,979,758 | \$ 5.93 | \$ 6.35 |
| Mar-05 | 10,674,908 | \$ 64,321,787 | \$ 4,207,149 | \$ 68,528,936 | \$ 6.03 | \$ 6.42 |
| Apr-05 | 7,882,120 | \$ 50,629,535 | \$ 7,421,208 | \$ 58,050,743 | \$ 6.42 | \$ 7.36 |
| May-05 | 11,546,699 | \$ 70,093,699 | \$ 10,687,377 | \$ 80,781,076 | \$ 6.07 | \$ 7.00 |
| Jun-05 | 13,852,789 | \$ 83,883,660 | \$ 10,668,479 | \$ 94,552,139 | \$ 6.06 | \$ 6.83 |
| Jul-05 | 19,029,678 | \$ 139,260,811 | \$ 16,611,832 | \$ 155,872,643 | \$ 7.32 | \$ 8.19 |
| Aug-05 | 19,081,594 | \$ 143,123,985 | \$ 23,227,818 | \$ 166,351,803 | \$ 7.50 | \$ 8.72 |
| Sep-05 | 16,021,567 | \$ 132,276,446 | \$ 28,141,863 | \$ 160,418,309 | \$ 8.26 | \$ 10.01 |
| Oct-05 | 13,403,230 | \$ 127,283,784 | \$ 40,969,551 | \$ 168,253,335 | \$ 9.50 | \$ 12.55 |
| Nov-05 | 9,192,811 | \$ 74,196,248 | \$ 22,493,488 | \$ 96,689,736 | \$ 8.07 | \$ 10.52 |
| Dec-05 | 9,194,672 | \$ 65,207,544 | \$ 22,399,450 | \$ 87,606,994 | \$ 7.09 | \$ 9.53 |

REDACTED

Docket No. 110001-EI
 STAFF's 1st Set of Interrogatories
 Witness: Joe McCallister

| | Total Burn for Owned Generation MMBtu a | Total Cost for Owned Generation Actual Cost b | Total PEF Hedge Settlement \$ Savings(Cost) c | Total Cost for Owned Generation without Hedged Settlement d = b + c | Average Price of Owned Generation Actual Cost \$/MMBtu e = b / a | Average Price of Generation without Hedge Savings/(Cost) \$/MMBtu f = d / a |
|--------|--|--|--|---|--|--|
| Jan-06 | 7,618,101 | \$ 59,934,332 | \$ 25,212,448 | \$ 85,146,780 | \$ 7.87 | \$ 11.18 |
| Feb-06 | 6,528,953 | \$ 46,857,449 | \$ 13,310,665 | \$ 60,168,114 | \$ 7.18 | \$ 9.22 |
| Mar-06 | 8,837,822 | \$ 62,391,937 | \$ 8,995,145 | \$ 71,387,082 | \$ 7.06 | \$ 8.08 |
| Apr-06 | 9,552,864 | \$ 76,403,539 | \$ 8,785,630 | \$ 85,189,169 | \$ 8.00 | \$ 8.92 |
| May-06 | 11,812,639 | \$ 78,575,843 | \$ 17,643,002 | \$ 96,218,845 | \$ 6.65 | \$ 8.15 |
| Jun-06 | 15,407,347 | \$ 118,046,557 | \$ 9,497,304 | \$ 127,543,861 | \$ 7.66 | \$ 8.28 |
| Jul-06 | 16,991,326 | \$ 117,966,076 | \$ 6,535,585 | \$ 124,501,661 | \$ 6.94 | \$ 7.33 |
| Aug-06 | 17,075,071 | \$ 125,102,575 | \$ 18,027,422 | \$ 143,129,997 | \$ 7.33 | \$ 8.38 |
| Sep-06 | 13,580,887 | \$ 100,422,181 | \$ 14,283,162 | \$ 114,705,343 | \$ 7.39 | \$ 8.45 |
| Oct-06 | 10,525,962 | \$ 62,307,672 | \$ (7,128,260) | \$ 55,179,412 | \$ 5.92 | \$ 5.24 |
| Nov-06 | 6,964,553 | \$ 52,109,359 | \$ (119,517) | \$ 51,989,842 | \$ 7.48 | \$ 7.46 |
| Dec-06 | 5,902,794 | \$ 46,764,894 | \$ 3,956,563 | \$ 50,721,457 | \$ 7.92 | \$ 8.59 |
| Jan-07 | 6,211,532 | \$ 48,880,692 | \$ (8,182,346) | \$ 40,698,346 | \$ 7.87 | \$ 6.55 |
| Feb-07 | 8,818,447 | \$ 71,628,848 | \$ (2,935,061) | \$ 68,693,787 | \$ 8.12 | \$ 7.79 |
| Mar-07 | 8,564,637 | \$ 68,676,883 | \$ 227,277 | \$ 68,904,160 | \$ 8.02 | \$ 8.05 |
| Apr-07 | 9,240,856 | \$ 77,725,014 | \$ (14,376) | \$ 77,710,638 | \$ 8.41 | \$ 8.41 |
| May-07 | 11,435,176 | \$ 93,065,553 | \$ 3,617,396 | \$ 96,682,949 | \$ 8.14 | \$ 8.45 |
| Jun-07 | 13,980,123 | \$ 121,724,519 | \$ 4,211,348 | \$ 125,935,867 | \$ 8.71 | \$ 9.01 |
| Jul-07 | 17,191,314 | \$ 152,659,624 | \$ (317,243) | \$ 152,342,381 | \$ 8.88 | \$ 8.86 |
| Aug-07 | 19,063,522 | \$ 181,257,842 | \$ (9,952,119) | \$ 171,305,723 | \$ 9.51 | \$ 8.99 |
| Sep-07 | 13,566,500 | \$ 115,738,934 | \$ (8,037,589) | \$ 107,701,345 | \$ 8.53 | \$ 7.94 |
| Oct-07 | 13,651,071 | \$ 104,455,617 | \$ (1,221,618) | \$ 103,233,999 | \$ 7.65 | \$ 7.56 |
| Nov-07 | 9,415,490 | \$ 77,207,034 | \$ 3,923,600 | \$ 81,130,634 | \$ 8.20 | \$ 8.62 |
| Dec-07 | 6,962,219 | \$ 61,539,560 | \$ 3,606,247 | \$ 65,145,807 | \$ 8.84 | \$ 9.36 |
| Jan-08 | 8,188,239 | \$ 66,713,793 | | | \$ 8.15 | |
| Feb-08 | 6,755,279 | \$ 58,869,384 | | | \$ 8.71 | |
| Mar-08 | 9,524,215 | \$ 92,019,760 | | | \$ 9.66 | |
| Apr-08 | 10,340,427 | \$ 92,193,068 | | | \$ 8.92 | |
| May-08 | 14,531,109 | \$ 150,174,261 | | | \$ 10.33 | |
| Jun-08 | 16,219,605 | \$ 175,835,388 | | | \$ 10.84 | |
| Jul-08 | 15,824,308 | \$ 166,243,733 | | | \$ 10.51 | |
| Aug-08 | 17,796,978 | \$ 190,232,701 | | | \$ 10.69 | |
| Sep-08 | 16,215,627 | \$ 141,979,727 | | | \$ 8.76 | |
| Oct-08 | 12,245,683 | \$ 112,515,784 | | | \$ 9.19 | |
| Nov-08 | 9,369,564 | \$ 94,543,275 | | | \$ 10.09 | |
| Dec-08 | 8,722,574 | \$ 94,973,543 | | | \$ 10.89 | |

REDACTED

Docket No. 110001-EI
 STAFF's 1st Set of Interrogatories
 Witness: Joe McCallister

| | Total Burn for Owned Generation MMBtu a | Total Cost for Owned Generation Actual Cost b | Total PEF Hedge Settlement \$ Savings(Cost) c | Total Cost for Owned Generation without Hedged Settlement d = b + c | Average Price of Owned Generation Actual Cost \$/MMBtu e = b / a | Average Price of Generation without Hedge Savings/(Cost) \$/MMBtu f = d / a |
|--------------|--|--|--|---|--|--|
| Jan-09 | 11,126,761 | \$ 113,909,206 | | | \$ 10.24 | |
| Feb-09 | 9,951,647 | \$ 101,485,468 | | | \$ 10.20 | |
| Mar-09 | 9,557,383 | \$ 101,620,832 | | | \$ 10.63 | |
| Apr-09 | 8,803,967 | \$ 79,213,259 | | | \$ 9.00 | |
| May-09 | 12,657,019 | \$ 118,542,939 | | | \$ 9.37 | |
| Jun-09 | 17,237,671 | \$ 144,096,478 | | | \$ 8.36 | |
| Jul-09 | 16,819,747 | \$ 144,555,718 | | | \$ 8.59 | |
| Aug-09 | 17,993,498 | \$ 153,385,989 | | | \$ 8.52 | |
| Sep-09 | 17,713,240 | \$ 133,141,709 | | | \$ 7.52 | |
| Oct-09 | 17,511,258 | \$ 140,326,668 | | | \$ 8.01 | |
| Nov-09 | 13,087,863 | \$ 96,675,593 | | | \$ 7.39 | |
| Dec-09 | 10,600,266 | \$ 85,476,406 | | | \$ 8.06 | |
| Jan-10 | 17,826,688 | \$ 180,257,966 | | | \$ 10.11 | |
| Feb-10 | 13,516,243 | \$ 96,664,465 | | | \$ 7.15 | |
| Mar-10 | 13,864,332 | \$ 97,046,775 | | | \$ 7.00 | |
| Apr-10 | 13,802,158 | \$ 91,483,847 | | | \$ 6.63 | |
| May-10 | 19,298,077 | \$ 134,553,616 | | | \$ 6.97 | |
| Jun-10 | 20,619,272 | \$ 149,508,045 | | | \$ 7.25 | |
| Jul-10 | 19,612,459 | \$ 146,741,872 | | | \$ 7.48 | |
| Aug-10 | 19,311,537 | \$ 149,448,442 | | | \$ 7.74 | |
| Sep-10 | 18,374,114 | \$ 117,345,043 | | | \$ 6.39 | |
| Oct-10 | 14,373,186 | \$ 101,574,971 | | | \$ 7.07 | |
| Nov-10 | 11,805,824 | \$ 69,227,479 | | | \$ 5.86 | |
| Dec-10 | 17,285,616 | \$ 140,218,547 | | | \$ 8.11 | |
| TOTAL | 1,195,593,285 | 8,917,783,712 | \$ (260,681,479) | \$ 8,657,102,233 | | |

Weighted Average Price

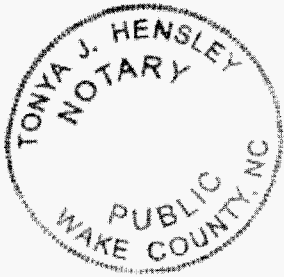
| | | | |
|----|------|----|------|
| \$ | 7.46 | \$ | 7.24 |
|----|------|----|------|

| | | |
|--------------------|------|------|
| Variance | 2.95 | 5.78 |
| Standard Deviation | 1.72 | 2.40 |

AFFIDAVIT

STATE OF NORTH CAROLINA)
)
COUNTY OF WAKE)

Before me, the undersigned authority, personally appeared **JOSEPH McCALLISTER**, who
() is personally known to me, or
() produced _____ as identification and who,
being duly sworn, deposes and says that the foregoing answers to Interrogatory Nos. 1 through 3 of
Staff's First Set of Interrogatories to Progress Energy Florida, Inc. in Docket No. 110001-EI are
true and correct to the best of his knowledge, information and belief.



Joseph McCallister
Joseph McCallister
Director Gas, Oil & Power
Title

Tonya J. Hensley
Notary Public
State of North Carolina

My commission Expires:
January 29, 2013

Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

Tel 850.444.6231
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SDRITENO@southernco.com



April 11, 2011

Ms. Jennifer Crawford, Attorney Supervisor
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Ms. Crawford:

RE: Docket No. 110001-EI

Enclosed is Gulf Power Company's response to the Commission Staff's First Set of Interrogatories (Nos. 1-2) filed electronically and by U.S. Mail in the above-referenced docket. As a courtesy, an electronic copy of Attachment A is being provided in Microsoft Excel.

Sincerely,

Susan D. Ritenour

nbn

Enclosures

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost)
Recovery Clause with Generating)
Performance Incentive Factor.)

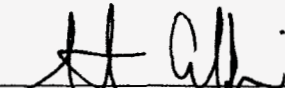
Docket No. 110001-EI

Date Filed: April 11, 2011

GULF POWER COMPANY'S RESPONSES TO
STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-2)

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned counsel, hereby submits the Company's responses to Staff's First Set of Interrogatories (Nos.1-2) on the following pages.

Respectfully submitted the 11th day of April 11, 2011,



JEFFREY A. STONE
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Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: 110001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic mail this 11th day of April, 2011, on the following:

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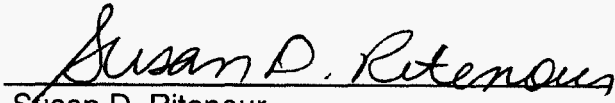
Attorneys for Gulf Power Company

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 110001-EI

Before me the undersigned authority, personally appeared Susan D. Ritenour, Secretary and Treasurer of Gulf Power Company, and who on behalf of said corporation, being first duly sworn, deposes, and says that pursuant to Rule 1.340(a), Florida Rules of Civil Procedure, she verifies that the foregoing answers to the interrogatories are submitted on behalf of said corporation, and that the foregoing constitute true and correct answers to the best of her knowledge, information, and belief based on the information provided by others in the course of business. She is personally known to me.

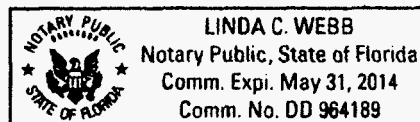


Susan D. Ritenour
Secretary and Treasurer and
Regulatory Manager

Sworn to and subscribed before me this 11th day of April, 2011.



Notary Public, State of Florida at Large



1. Please refer to Exhibit HRB-1, Schedule 4, pages 5-6 of 183 from Gulf Power Company's 2010 True-Up Testimony and Exhibits.
 - a. Please supply a Company-specific "Natural Gas Burn Cost Variance and Hedging Effectiveness" schedule, using the same format and containing the same information as shown in Exhibit HRB-1, Schedule 4, pages 5-6 of 183, for the Company during the period from January 2003 through December 2010.
 - b. Referring to the bottom of the Exhibit HRB-1, Schedule 4, pages 5-6 of 183, please include "Total" amounts, "Weighted Average Price," "Variance," and "Standard Deviation" for both "Gas Cost of Generation Actual Cost \$/MMBtu" and "Gas Cost of Generation Hedged \$/MMBtu."

ANSWER:

See Attachment A.

Natural Gas Burn Cost Variance and Hedging Effectiveness For the Period 2003 - 2010

Hedging Settlement Cost from Schedule A-1

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

| | Gas Burn for Generation MMBtu | Gas Cost for Generation Actual Cost | Gulf Hedge Settlement Total \$ | Gas Cost for Generation Hedged Cost | Gas Cost for Generation Actual Cost \$/MMBtu | Gas Cost for Generation Hedged Cost \$/MMBtu |
|--------|-------------------------------------|---|--------------------------------------|---|---|---|
| Jan-03 | 1,927,844 | \$ 11,561,178 | \$ (387,350) | \$ 11,173,828 | \$ 6.00 | \$ 5.80 |
| Feb-03 | 1,086,193 | \$ 7,643,924 | \$ - | \$ 7,643,924 | \$ 7.04 | \$ 7.04 |
| Mar-03 | 2,343 | \$ 19,019 | \$ - | \$ 19,019 | \$ 8.12 | \$ 8.12 |
| Apr-03 | 1,105,902 | \$ 8,317,152 | \$ (885,000) | \$ 7,432,152 | \$ 7.52 | \$ 6.72 |
| May-03 | 656,320 | \$ 5,916,787 | \$ (1,491,945) | \$ 4,424,842 | \$ 9.02 | \$ 6.74 |
| Jun-03 | 1,145,731 | \$ 9,139,701 | \$ (1,510,000) | \$ 7,629,701 | \$ 7.98 | \$ 6.66 |
| Jul-03 | 1,560,996 | \$ 11,064,705 | \$ (1,287,710) | \$ 9,776,995 | \$ 7.09 | \$ 6.26 |
| Aug-03 | 1,780,984 | \$ 11,750,965 | \$ 881,898 | \$ 12,632,863 | \$ 6.60 | \$ 7.09 |
| Sep-03 | 1,211,654 | \$ 7,863,375 | \$ 55,330 | \$ 7,918,705 | \$ 6.49 | \$ 6.54 |
| Oct-03 | 847,332 | \$ 5,909,848 | \$ (84,550) | \$ 5,825,298 | \$ 6.97 | \$ 6.87 |
| Nov-03 | 1,276,201 | \$ 8,225,145 | \$ (152,750) | \$ 8,072,395 | \$ 6.45 | \$ 6.33 |
| Dec-03 | 1,224,105 | \$ 7,597,623 | \$ - | \$ 7,597,623 | \$ 6.21 | \$ 6.21 |
| Jan-04 | 1,376,211 | \$ 9,293,879 | \$ (997,750) | \$ 8,296,129 | \$ 6.75 | \$ 6.03 |
| Feb-04 | 1,564,478 | \$ 9,871,749 | \$ (164,350) | \$ 9,707,399 | \$ 6.31 | \$ 6.20 |
| Mar-04 | 871,675 | \$ 5,509,829 | \$ 541,100 | \$ 6,050,929 | \$ 6.32 | \$ 6.94 |
| Apr-04 | 1,791,134 | \$ 12,319,499 | \$ (693,600) | \$ 11,625,899 | \$ 6.88 | \$ 6.49 |
| May-04 | 1,308,506 | \$ 10,159,428 | \$ (744,900) | \$ 9,414,528 | \$ 7.76 | \$ 7.19 |
| Jun-04 | 1,467,258 | \$ 11,640,064 | \$ (1,491,210) | \$ 10,148,854 | \$ 7.93 | \$ 6.92 |
| Jul-04 | 1,716,356 | \$ 12,973,523 | \$ (892,012) | \$ 12,081,511 | \$ 7.56 | \$ 7.04 |
| Aug-04 | 1,694,094 | \$ 11,970,525 | \$ (533,781) | \$ 11,436,744 | \$ 7.07 | \$ 6.75 |
| Sep-04 | 1,445,679 | \$ 9,599,957 | \$ 28,796 | \$ 9,628,753 | \$ 6.64 | \$ 6.66 |
| Oct-04 | 1,358,217 | \$ 10,468,563 | \$ 44,000 | \$ 10,512,563 | \$ 7.71 | \$ 7.74 |
| Nov-04 | 1,496,093 | \$ 10,461,537 | \$ (1,117,600) | \$ 9,343,937 | \$ 6.99 | \$ 6.25 |
| Dec-04 | 1,514,007 | \$ 11,568,705 | \$ (63,850) | \$ 11,504,855 | \$ 7.64 | \$ 7.60 |
| Jan-05 | 1,336,992 | \$ 10,063,657 | \$ 252,980 | \$ 10,316,637 | \$ 7.53 | \$ 7.72 |
| Feb-05 | 1,409,337 | \$ 9,945,388 | \$ 399,320 | \$ 10,344,708 | \$ 7.06 | \$ 7.34 |
| Mar-05 | 1,904,145 | \$ 14,474,876 | \$ 128,230 | \$ 14,603,106 | \$ 7.60 | \$ 7.67 |
| Apr-05 | 1,011,455 | \$ 9,279,417 | \$ (571,755) | \$ 8,707,662 | \$ 9.17 | \$ 8.61 |
| May-05 | 840,907 | \$ 7,687,891 | \$ (432,340) | \$ 7,255,551 | \$ 9.14 | \$ 8.63 |
| Jun-05 | 1,360,925 | \$ 12,516,470 | \$ (921,387) | \$ 11,595,083 | \$ 9.20 | \$ 8.52 |
| Jul-05 | 1,595,817 | \$ 14,962,616 | \$ (1,359,870) | \$ 13,602,746 | \$ 9.38 | \$ 8.52 |
| Aug-05 | 1,680,653 | \$ 18,540,948 | \$ (3,174,481) | \$ 15,366,467 | \$ 11.03 | \$ 9.14 |
| Sep-05 | 1,276,908 | \$ 20,332,068 | \$ (5,434,906) | \$ 14,897,162 | \$ 15.92 | \$ 11.67 |
| Oct-05 | 979,861 | \$ 15,840,941 | \$ (4,348,649) | \$ 11,492,292 | \$ 16.17 | \$ 11.73 |
| Nov-05 | 1,396,391 | \$ 17,713,426 | \$ (4,447,534) | \$ 13,265,892 | \$ 12.69 | \$ 9.50 |
| Dec-05 | 419,130 | \$ 5,917,250 | \$ (2,661,584) | \$ 3,255,666 | \$ 14.12 | \$ 7.77 |
| Jan-06 | 551,999 | \$ 6,313,546 | \$ 52,040 | \$ 6,365,586 | \$ 11.44 | \$ 11.53 |
| Feb-06 | 1,011,459 | \$ 10,427,316 | \$ 894,967 | \$ 11,322,283 | \$ 10.31 | \$ 11.19 |
| Mar-06 | 874,554 | \$ 8,199,272 | \$ 2,369,750 | \$ 10,569,022 | \$ 9.38 | \$ 12.09 |
| Apr-06 | 872,221 | \$ 8,454,859 | \$ 976,400 | \$ 9,431,259 | \$ 9.69 | \$ 10.81 |
| May-06 | 1,303,649 | \$ 11,453,486 | \$ 1,348,845 | \$ 12,802,331 | \$ 8.79 | \$ 9.82 |
| Jun-06 | 1,308,645 | \$ 11,379,223 | \$ 1,879,290 | \$ 13,258,513 | \$ 8.70 | \$ 10.13 |
| Jul-06 | 1,653,598 | \$ 14,105,887 | \$ 3,020,757 | \$ 17,126,644 | \$ 8.53 | \$ 10.36 |
| Aug-06 | 1,981,186 | \$ 18,749,710 | \$ 1,960,976 | \$ 20,710,686 | \$ 9.46 | \$ 10.45 |

Natural Gas Burn Cost Variance and Hedging Effectiveness For the Period 2003 - 2010

Hedging Settlement Cost from Schedule A-1

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

| | Gas Burn for Generation MMBtu | Gas Cost for Generation Actual Cost | Gulf Hedge Settlement Total \$ | Gas Cost for Generation Hedged Cost | Gas Cost for Generation Actual Cost \$/MMBtu | Gas Cost for Generation Hedged Cost \$/MMBtu |
|--------|-------------------------------------|---|--------------------------------------|---|---|---|
| Sep-06 | 1,604,815 | \$ 12,131,183 | \$ 2,816,400 | \$ 14,947,583 | \$ 7.56 | \$ 9.31 |
| Oct-06 | 1,815,274 | \$ 13,445,098 | \$ 1,515,633 | \$ 14,960,731 | \$ 7.41 | \$ 8.24 |
| Nov-06 | 1,243,602 | \$ 1,091,497 | \$ 856,611 | \$ 1,948,108 | \$ 0.88 | \$ 1.57 |
| Dec-06 | 1,065,009 | \$ 8,798,009 | \$ 1,022,893 | \$ 9,820,902 | \$ 8.26 | \$ 9.22 |
| Jan-07 | 1,454,861 | \$ 11,585,254 | \$ 1,221,103 | \$ 12,806,357 | \$ 7.96 | \$ 8.80 |
| Feb-07 | 1,776,967 | \$ 16,522,229 | \$ 887,712 | \$ 17,409,941 | \$ 9.30 | \$ 9.80 |
| Mar-07 | 2,007,565 | \$ 16,148,663 | \$ 1,030,480 | \$ 17,179,143 | \$ 8.04 | \$ 8.56 |
| Apr-07 | 1,346,327 | \$ 11,754,925 | \$ 103,000 | \$ 11,857,925 | \$ 8.73 | \$ 8.81 |
| May-07 | 836,910 | \$ 8,108,427 | \$ 71,000 | \$ 8,179,427 | \$ 9.69 | \$ 9.77 |
| Jun-07 | 1,366,522 | \$ 13,087,063 | \$ 336,800 | \$ 13,423,863 | \$ 9.58 | \$ 9.82 |
| Jul-07 | 1,602,414 | \$ 14,212,740 | \$ 1,179,680 | \$ 15,392,420 | \$ 8.87 | \$ 9.61 |
| Aug-07 | 1,824,517 | \$ 17,196,530 | \$ 1,299,000 | \$ 18,495,530 | \$ 9.43 | \$ 10.14 |
| Sep-07 | 1,328,900 | \$ 11,680,358 | \$ 1,119,300 | \$ 12,799,658 | \$ 8.79 | \$ 9.63 |
| Oct-07 | 1,497,567 | \$ 13,292,047 | \$ 441,225 | \$ 13,733,272 | \$ 8.88 | \$ 9.17 |
| Nov-07 | 1,330,599 | \$ 11,034,120 | \$ 688,000 | \$ 11,722,120 | \$ 8.29 | \$ 8.81 |
| Dec-07 | 998,660 | \$ 8,483,467 | \$ 820,133 | \$ 9,303,600 | \$ 8.49 | \$ 9.32 |
| Jan-08 | 1,760,307 | \$ 16,341,336 | \$ 532,730 | \$ 16,874,066 | \$ 9.28 | \$ 9.59 |
| Feb-08 | 1,151,325 | \$ 11,205,719 | \$ 195,041 | \$ 11,400,760 | \$ 9.73 | \$ 9.90 |
| Mar-08 | 1,420,931 | \$ 14,588,395 | \$ (662,739) | \$ 13,925,656 | \$ 10.27 | \$ 9.80 |
| Apr-08 | 1,399,129 | \$ 16,671,636 | \$ (795,445) | \$ 15,876,191 | \$ 11.92 | \$ 11.35 |
| May-08 | 1,490,478 | \$ 19,205,110 | \$ (1,375,869) | \$ 17,829,241 | \$ 12.89 | \$ 11.96 |
| Jun-08 | 1,434,185 | \$ 20,631,490 | \$ (2,540,574) | \$ 18,090,916 | \$ 14.39 | \$ 12.61 |
| Jul-08 | 1,655,661 | \$ 22,549,890 | \$ (2,817,259) | \$ 19,732,631 | \$ 13.62 | \$ 11.92 |
| Aug-08 | 1,586,066 | \$ 18,670,066 | \$ 6,557 | \$ 18,676,623 | \$ 11.77 | \$ 11.78 |
| Sep-08 | 1,337,160 | \$ 14,896,196 | \$ 1,044,240 | \$ 15,940,436 | \$ 11.14 | \$ 11.92 |
| Oct-08 | 2,378,461 | \$ 20,584,433 | \$ 2,288,684 | \$ 22,873,117 | \$ 8.65 | \$ 9.62 |
| Nov-08 | 444,771 | \$ 4,025,144 | \$ 2,536,215 | \$ 6,561,359 | \$ 9.05 | \$ 14.75 |
| Dec-08 | 1,331,474 | \$ 10,282,072 | \$ 3,326,145 | \$ 13,608,217 | \$ 7.72 | \$ 10.22 |
| Jan-09 | 1,843,231 | \$ 11,704,449 | \$ 3,803,955 | \$ 15,508,404 | \$ 6.35 | \$ 8.41 |
| Feb-09 | 2,365,719 | \$ 12,858,496 | \$ 4,173,375 | \$ 17,031,871 | \$ 5.44 | \$ 7.20 |
| Mar-09 | 1,788,700 | \$ 8,729,468 | \$ 3,233,845 | \$ 11,963,313 | \$ 4.88 | \$ 6.69 |
| Apr-09 | 2,612,877 | \$ 12,010,860 | \$ 4,448,560 | \$ 16,459,420 | \$ 4.60 | \$ 6.30 |
| May-09 | 2,223,673 | \$ 10,921,136 | \$ 3,920,849 | \$ 14,841,985 | \$ 4.91 | \$ 6.67 |
| Jun-09 | 2,362,090 | \$ 11,991,560 | \$ 5,652,830 | \$ 17,644,390 | \$ 5.08 | \$ 7.47 |
| Jul-09 | 2,141,928 | \$ 10,351,752 | \$ 6,569,231 | \$ 16,920,983 | \$ 4.83 | \$ 7.90 |
| Aug-09 | 2,162,658 | \$ 9,803,304 | \$ 6,735,010 | \$ 16,538,314 | \$ 4.53 | \$ 7.65 |
| Sep-09 | 1,905,731 | \$ 8,260,086 | \$ 4,513,898 | \$ 12,773,984 | \$ 4.33 | \$ 6.70 |
| Oct-09 | 2,309,421 | \$ 11,446,021 | \$ 2,545,174 | \$ 13,991,195 | \$ 4.96 | \$ 6.06 |
| Nov-09 | 2,421,189 | \$ 10,519,805 | \$ 3,365,798 | \$ 13,885,603 | \$ 4.34 | \$ 5.74 |
| Dec-09 | 2,442,330 | \$ 13,340,943 | \$ 2,269,725 | \$ 15,610,668 | \$ 5.46 | \$ 6.39 |
| Jan-10 | 130,599 | \$ 960,031 | \$ 1,507,491 | \$ 2,467,522 | | |
| Feb-10 | 56,574 | \$ 601,446 | \$ 1,717,175 | \$ 2,318,621 | | |
| Mar-10 | 1,583,149 | \$ 9,261,100 | \$ 2,299,955 | \$ 11,561,055 | \$ 5.85 | \$ 7.30 |
| Apr-10 | 2,010,731 | \$ 10,799,268 | \$ 1,433,890 | \$ 12,233,158 | \$ 5.37 | \$ 6.08 |

**Maintenance Outage at
Plant Smith Unit 3**

**Natural Gas Burn Cost Variance and Hedging Effectiveness
For the Period 2003 - 2010**

Hedging Settlement Cost from Schedule A-1

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

| | Gas Burn for Generation MMBtu | Gas Cost for Generation Actual Cost | Gulf Hedge Settlement Total \$ | Gas Cost for Generation Hedged Cost | Gas Cost for Generation Actual Cost \$/MMBtu | Gas Cost for Generation Hedged Cost \$/MMBtu |
|--------------|-------------------------------------|---|--------------------------------------|---|---|---|
| May-10 | 1,660,811 | \$ 9,355,136 | \$ 1,552,418 | \$ 10,907,554 | \$ 5.63 | \$ 6.57 |
| Jun-10 | 1,989,343 | \$ 11,947,425 | \$ 1,329,364 | \$ 13,276,789 | \$ 6.01 | \$ 6.67 |
| Jul-10 | 2,155,792 | \$ 13,045,990 | \$ 1,682,814 | \$ 14,728,804 | \$ 6.05 | \$ 6.83 |
| Aug-10 | 2,052,336 | \$ 12,403,624 | \$ 1,736,538 | \$ 14,140,162 | \$ 6.04 | \$ 6.89 |
| Sep-10 | 2,061,667 | \$ 11,277,642 | \$ 1,799,170 | \$ 13,076,812 | \$ 5.47 | \$ 6.34 |
| Oct-10 | 2,334,225 | \$ 11,325,829 | \$ 1,841,460 | \$ 13,167,289 | \$ 4.85 | \$ 5.64 |
| Nov-10 | 1,699,793 | \$ 8,004,656 | \$ 1,755,968 | \$ 9,760,624 | \$ 4.71 | \$ 5.74 |
| Dec-10 | 2,525,034 | \$ 12,507,497 | \$ 1,010,918 | \$ 13,518,415 | \$ 4.95 | \$ 5.35 |
| TOTAL | 143,529,203 | \$ 1,088,855,548 | \$ 67,029,922 | \$ 1,155,885,470 | | |

Weighted Average Price

| | | | |
|----|------|----|------|
| \$ | 7.59 | \$ | 8.05 |
|----|------|----|------|

| | | |
|--------------------|------|------|
| Variance | 6.92 | 4.40 |
| Standard Deviation | 2.63 | 2.10 |

2. Please refer to Exhibit HRB-1, Schedule 4, pages 6 of 183 from Gulf Power Company's 2010 True-Up Testimony and Exhibits. Please explain or describe why the values in the columns entitled "Gas Cost of Generation Actual Cost \$/MMBtu" and "Gas Cost of Generation Hedged \$/MMBtu" for the period January and February 2010 are redacted.

ANSWER:

The total natural gas burn expense reported on Schedule A-3 includes natural gas transportation and gas storage costs. Gulf chooses to make the gas hedge effectiveness evaluation reported on Schedule 4 of the testimony exhibit using this total gas burn expense because it reveals no confidential pricing information. Therefore, no confidentiality requests need to be filed for the cost data shown on this testimony exhibit schedule.

Gulf operates one gas fired combined cycle unit, Smith Unit 3. In most months Smith Unit 3 consumes a relatively large amount of gas and the total delivered per unit cost of the natural gas burned is comprised primarily of the commodity cost of the gas. The purpose of Gulf's natural gas hedging activity is to reduce the volatility of the natural gas commodity price. When natural gas burn is very low due to a unit outage the total burn expense is composed primarily of transportation costs. This results in the total delivered gas cost expressed in \$/MMBTU to be far greater than the commodity cost and as a result the variance and standard deviation calculations are inappropriately influenced. For this reason Gulf has removed the gas delivered per unit cost from the variance and standard deviation calculation for the months of January and February 2010.

Ms. Jennifer Crawford
Florida Public Service Commission
April 11, 2011
Page 2

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