

**Diamond Williams**

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**Sent:** Monday, September 26, 2011 2:14 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** 'Jeffrey Stone'; Griffin, Steven R. (Beggs & Lane); Badders, Russell A. (Beggs & Lane)  
**Subject:** Gulf Power Company's Preliminary List of Issues and Positions  
**Attachments:** Gulf Power Company Preliminary List of Issues and Positions.pdf; Docket 110001-EI Gulf Power Company Preliminary List of Issues.docx

- A. s/Susan D. Ritenour  
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- B. Docket No. 110001-EI
- C. Gulf Power Company
- D. Document consists of 9 pages
- E. The attached document is Gulf Power Company's Preliminary List of Issues and Positions

9/26/2011

DOCUMENT NUMBER-DATE  
06942 SEP 26 =  
FPSC-COMMISSION CLERK

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September 26, 2011

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

Dear Ms. Cole:

Re: Docket No. 110001-EI

Attached is Gulf Power Company's Preliminary List of Issues and Positions, to be filed in the above referenced docket. Also attached is the Preliminary List of Issues in Microsoft Word as prepared on a Windows XP operating system.

Sincerely,

*Susan D. Ritenour*

nm

Enclosures

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

DOCUMENT NUMBER-DATE  
06942 SEP 26 =  
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power )  
Cost Recovery Clauses and )  
Generating Performance Incentive )  
Factor )  
\_\_\_\_\_ )

Docket No. 110001-EI  
Filed: September 26, 2011

**GULF POWER COMPANY'S PRELIMINARY LIST OF ISSUES AND POSITIONS**

Gulf Power Company, ("Gulf Power", "Gulf", or "the "Company"), by and through its undersigned attorneys, hereby files this preliminary list of issues and positions, saying:

**I. FUEL ISSUES**

**COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES**

**ISSUE 4A:** Should the Commission approve as prudent, GULF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in GULF's April 2011 and August 2011 hedging reports?

**GULF:** Yes. (Ball)

**ISSUE 4B:** Should the Commission approve Gulf's 2012 Risk Management Plan?

**GULF:** Yes. (Ball)

**ISSUE 4C:** Was Gulf Power Company prudent in commencing and continuing litigation against Coalsales II, LLC for breach of contract?

**GULF:** Yes. (Ball)

**GENERIC FUEL ADJUSTMENT ISSUES**

**ISSUE 6:** What are the appropriate actual benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**GULF:** \$1,004,362. (Dodd, Ball)

**ISSUE 7:** What are the appropriate estimated benchmark levels for calendar year 2012 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

**GULF:** \$868,270. (Dodd, Ball)

**ISSUE 8:** What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

**GULF:** Under recovery \$3,609,728. (Ball, Dodd)

**ISSUE 9:** What are the appropriate fuel adjustment actual/estimated true-up amounts for the period January 2011 through December 2011?

**GULF:** Under recovery \$8,441,457. (Ball, Dodd)

**ISSUE 10:** What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2012 to December 2012?

**GULF:** Collection of \$12,051,185. (Dodd)

**ISSUE 11:** What are the appropriate projected total fuel and purchased power cost recovery amounts for the period January 2012 through December 2012?

**GULF:** \$581,090,001 including prior period true-up amounts and revenue taxes. (Dodd)

#### **COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

NONE RAISED BY GULF POWER COMPANY

#### **GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES**

**ISSUE 16:** What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2010 through December 2010 for each investor-owned electric utility subject to the GPIF?

**GULF:** \$645,511 reward. (Young)

**ISSUE 17:** What should the GPIF targets/ranges be for the period January 2012 through December 2012 for each investor-owned electric utility subject to the GPIF?

**GULF:** See table below: (Young)

Unit	EAF	POF	EUOF	Heat Rate
Crist 4	97.7	0.0	2.3	11,479
Crist 5	97.9	0.0	2.1	11,471
Crist 6	74.8	19.7	5.6	11,457
Crist 7	72.6	21.6	5.9	10,683
Smith 1	93.6	0.0	6.4	10,628
Smith 2	87.7	6.3	6.0	10,533
Daniel 1	84.1	10.1	5.8	10,703
Daniel 2	93.4	0.0	6.6	10,630

EAF = Equivalent Availability Factor (%)  
POF = Planned Outage Factor (%)  
EUOF = Equivalent Unplanned Outage Factor (%)

#### **FUEL FACTOR CALCULATION ISSUES**

**ISSUE 18:** What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2012 through December 2012?

**GULF:** \$581,735,512 including prior period true-up amounts and revenue taxes. (Dodd)

**ISSUE 19:** What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2012 through December 2012?

**GULF:** 1.00072. (Dodd)

**ISSUE 20:** What are the appropriate levelized fuel cost recovery factors for the period January 2012 through December 2012?

**GULF:** 4.943 cents/kWh. (Dodd)

**ISSUE 21:** What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

**GULF:** See table below: (Dodd)

<b>Group</b>	<b>Rate Schedules</b>	<b>Line Loss Multipliers</b>
A	RS, RSVP,GS, GSD, GSDT, GSTOU, OSIII, SBS(1)	1.00525921
B	LP, LPT, SBS(2)	0.98890061
C	PX, PXT, RTP, SBS(3)	0.98062822
D	OSI/II	1.00529485
(1) Includes SBS customers with a contract demand in the range of 100 to 499 KW		
(2) Includes SBS customers with a contract demand in the range of 500 to 7,499 KW		
(3) Includes SBS customers with a contract demand over 7,499 KW		

**ISSUE 22:** What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

**GULF:** See table below: (Dodd)

Group	Rate Schedules*	Line Loss Multipliers	Fuel Cost Factors ¢/KWH		
			Standard	Time of Use	
				On-Peak	Off-Peak
A	RS, RSVP,GS, GSD, GSDT, GSTOU, OSIII, SBS(1)	1.00525921	4.969	5.828	4.612
B	LP, LPT, SBS(2)	0.98890061	4.888	5.733	4.537
C	PX, PXT, RTP, SBS(3)	0.98062822	4.847	5.685	4.499
D	OSI/II	1.00529485	4.917	N/A	N/A

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

## **II. CAPACITY ISSUES**

### **COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES**

NONE RAISED BY GULF POWER COMPANY

## **GENERIC CAPACITY COST RECOVERY FACTOR ISSUES**

**ISSUE 27:** What are the appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010?

**GULF:** Over recovery of \$1,217,382. (Ball, Dodd)

**ISSUE 28:** What are the appropriate capacity cost recovery true-up amounts for the period January 2011 through December 2011?

**GULF:** Over recovery of \$7,179,724. (Ball, Dodd)

**ISSUE 29:** What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2012 through December 2012?

**GULF:** Refund of \$8,397,106. (Dodd)

**ISSUE 30:** What are the appropriate projected total capacity cost recovery amounts for the period January 2012 through December 2012?

**GULF:** \$46,396,792

**ISSUE 31:** What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2012 through December 2012?

**GULF:** \$38,027,046 including prior period true-up amounts and revenue taxes. (Ball, Dodd)

**ISSUE 32:** What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2012 through December 2012?

**GULF:** 96.44582%. (Ball, Dodd)

**ISSUE 33:** What are the appropriate capacity cost recovery factors for the period January 2012 through December 2012?

**GULF:** See table below: (Dodd)



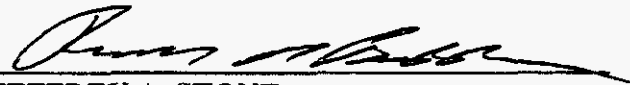
<b>RATE CLASS</b>	<b>CAPACITY COST RECOVERY FACTORS ¢/KWH</b>
RS, RSVP	0.378
GS	0.345
GSD, GSDT, GSTOU	0.298
LP, LPT	0.260
PX, PXT, RTP, SBS	0.232
OS-I/II	0.138
OSIII	0.224

**III. EFFECTIVE DATE**

**ISSUE 34:** What should be the effective date of the fuel adjustment factors and capacity cost recovery factors for billing purposes?

**GULF:** January 1, 2012. (Dodd)

Respectfully submitted this 26th day of September, 2011.



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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 26th day of September, 2011, on the following:

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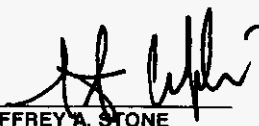
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