BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Gulf Power Company for an increase in its rates and charges.	DOCKET NO. 891345-EI ORDER NO. 23025 ISSUED: 6-4-90

Pursuant to Notice, a Prehearing Conference was held on May 22, and May 31, 1990, in Tallahassee, Florida, before Commissioner Thomas M. Beard, Prehearing Officer.

APPEARANCES:

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On behalf of Gulf Power Company

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On behalf of the Federal Executive Agencies

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On behalf of the Staff of the Florida Public Service Commission

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On behalf of the Florida Public Service Commissioners

PREHEARING ORDER

Background

On December 15, 1989, Gulf Power Company (Gulf) filed its petition for permanent and interim increases to its rates and charges. In its petition, Gulf has requested a permanent increase in its rates and charges designed to generate an additional $26,295,000 of gross annual revenues. This request is based upon a projected 1990 test year and a 13-month average jurisdictional rate base of $923,562,000. Gulf has requested an overall rate of return of 8.34%, which assumes an allowed rate of return on common equity of 13.00%. The most significant basis for the requested increase, according to Gulf, is the commitment of over 500 MW of additional capacity from its Plants Daniel and Scherer to territorial service from July 1, 1988 through January 31, 1989, and the O&M expenses associated with this capacity. Additionally, the utility claims an increase in net operating income resulting from substantial capital additions in the transmission, distribution, and general plant areas as well as increased O&M expenses.

Order No. 22681, issued on March 13, 1990, suspended Gulf's permanent rate schedules and granted Gulf an interim rate increase of $5,751,000 in annual revenues. The Federal Executive Agencies (FEA), and Industrial Intervenors (II) have been granted intervention status in this docket by Orders Nos. 22363 and 22878, respectively. Order No. 22953, issued on May 18, 1990, grants intervention status to the Florida Retail Federation (FRF). The Office of the Public Counsel (OPC) is a party to this docket pursuant to Section 350.0611, Florida Statutes.

The direct testimony of D.L. McCrary, A.E. Scarbrough, E.B. Parsons, Jr., M.W. Howell, C.R. Lee, C.E. Jordon, E.C. Conner, D.P. Gilbert, M.R. Bell, R.J. McMillan, W.P. Bowers, R.A. Morin, J.T. Kilgore, M.T. O'Sheasy, and J.L. Haskins was filed on behalf of Gulf on December 15, 1990. The direct testimony of Richard A. Rosen; James A. Rothschild; Hugh Larkin, Jr.; Helmuth W. Schultz, III; and Robert S. Wright was filed on April 27, 1990; May 1, 1990; and May 2, 1990 respectively on behalf of OPC. The direct testimony of Scott Seery, Robert A. Freeman, Kathryn D. Brown and Roberta S. Bass was filed on April 27, 1990 on behalf of the Staff. The direct testimony of Dr. Charles E. Johnson was filed on April 27, 1990 on behalf of the Federal Executive Agencies. The direct testimony of Jeffrey Pollock was filed on May 2, 1990 and the direct testimony of Tom Kisla was filed on April 27 on behalf of the Industrial Intervenors.

The rebuttal testimony of J.T. Kilgore, Jr. and G.A. Fell was filed on May 15, 1990 on behalf of Gulf. The rebuttal testimony of Robert S. Wright was filed on May 15, 1990 on behalf of OPC. The rebuttal testimony of R.D. Bushardt, R.A. Morin, M.T. O'Sheasy, J.L. Haskins, E.B. Parsons, Jr., M.W. Howell, C.R. Lee, C.E. Jordan, E.C.Conner, A.E. Scarbrough, D.P. Gilbert, M.R. Bell, R.J. McMillan, R.H. Jackson, W.P. Bowers, J.E. Hodges, and D.L. McCrary. was filed on May 21, 1990 on behalf of Gulf. The rebuttal testimony of R.S. Wright was filed on May 21, 1990 on behalf of the OPC. The rebuttal testimony of J. Pollock was filed on May 21, 1990 on behalf of Industrial Intervenors. the rebuttal testimony of C.E. Johnson was filed on May 21, 1990 on behalf of FEA.

Prehearing statements were filed by Gulf, OPC, FEA and the Industrial Intervenors on May 15, 1990 and by Staff on May 14, 1990.

Use of Prefiled Testimony

All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and exhibits, unless there is a sustainable objection. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his testimony at the time he or she takes the stand.

Use of Depositions and Interrogatories

If any party desires to use any portion of a deposition or an interrogatory, at the time the party seeks to introduce that deposition or a portion thereof, the request will be subject to proper objections and the appropriate evidentiary rules will govern. The parties will be free to utilize any exhibits requested at the time of the depositions subject to the same conditions.

Order of Witnesses

	Witness	Subject Matter	Issues
Direct			
	Gulf		
1.	D.L. McCrary	Introduction & Policy; audit report	38, 110
2.	A.E. Scarbrough	Accounting; Financial Matters; audit report	1, 2, 3, 4, 6, 8, 9 14, 18, 25, 26, 29, 30, 38, 40, 45 51, 54, 55, 56 59, 60, 69, 70 90, 71, 73, 75 82, 89, 93, 98, 102, 103, 111, 112
3.	D.P. Gilbert	Budgeting & Planning Process; audit report	54, 71, 72, 74 86, 87, 100, 102, 103
4.	M.R. Bell	Review of financial forecast forecast & assumptions; audit report	38, 54, 71, 102, 103
5.	R.J. McMillan	1990 test year financial forecast; net operating income; unit power sales; audit report	1, 2, 3, 8, 11, 13, 16, 17, 19, 20, 21, 27, 28, 31, 32, 33, 34, 36, 38, 39, 41, 42, 43, 44, 46, 49, 52, 53, 57, 58, 68, 82, 83, 84, 85, 109, 110, 111, 119
6.	W.P. Bowers	Customer Service & Information; Sales; Marketing and load management	47, 61 - 68, 73, 100, 101, 102, 108

Witness	Subject Matter	Issues
7. E.B. Parsons, Jr.	Production, System Planning and expenses; UPS concept	15, 22-26, 35, 73, 77, 78, 89, 94,
8. C.R. Lee	Production Operation & Maintenance Budget; Power Generation	15, 22, 23, 73, 76, 79, 88, 89, 95, 99
9. M.W. Howell	Transmission and Interchange; audit report	25, 26, 73, 80, 100, 101, 102
10.C.E. Jordan	Distribution, operation and maintenance expenses	12, 73, 81, 97
11. E.C. Conner	Corporate office; Bonifay and Graceville; audit report	5, 7, 10, 15, 29, 54
12. R.A. Morin*	Cost of capital	37, 39, 40
13. J.T. Kilgore	Customer, energy & demand forecast, load research	49, 113, 119, 120
14. M.T. O'Sheasy	Cost of service study	115 - 119
15. J.L.Haskins	Rate design	48, 114, 121 - 158
OPC		
16. H.W. Schultz	Regulatory accounting & principles; audit report	8, 29, 30, 36, 42, 43, 46, 49, 50, 54, 55, 56, 57, 58, 59, 60, 62, 63, 65, 66, 68, 69, 70, 71, 72, 73, 74, 75, 80, 83, 86 - 103, 110, 111

Witness	Subject Matter	Issues
17. H. Larkin	Regulatory accounting & principles; audit report	1 - 4, 7 - 12, 15 - 20, 22, 23, 24, 26 - 36, 38, 39, 40, 42 - 44, 49, 82, 84, 85, 110, 111
18. R.A. Rosen	Plant-in-service; sales	26, 49, 113
19. J.A. Rothschild	Cost of capital; regulatory principles	37, 44
20. R.S. Wright	Rate design	113, 115-118, 121, 124-128, 131, 135, 137-142, 144, 149, 151, 152
FEA		
21. C.E. Johnson	Rate design	121, 130, 131
II		
22. T. Kisla	Standby service SE rider; rate design	152, 158, 135a
23. J. Pollock	Cost of service rate design	115-118, 121, 135a, 136, 138, 141, 142, 152, 153, 158
Staff		
24. R.G. Dawson	Adverse witness - UPS sales; bulk power sales	16, 38
25. S. Seery*	Cost of capital; capital structure	37
26. R.A. Freeman	FPSC audit reports	2-8, 15-18 20-28, 31-39, 40-44, 50-58, 62-68, 71-74, 80-89, 92, 100-103, 119
27. K.D. Brown	Customer service	38

Witness	Subject Matter	Issues
28. R.S. Bass	Gulf management; criminal plea	38
Rebuttal		
OPC		
29. R.S. Wright	Rate design	113, 115-118, 121, 124-128, 131, 135, 137-142, 144, 149, 151, 152
II		
30. J. Pollock	Cost of service; differential cost of capital	115-118, 121, 135a, 136, 138, 141, 142, 152 153, 158
Gulf		
31. R.A. Morin*	Cost of capital	37, 40
32. J.T. Kilgore	Customer, energy & demand forecasts	49, 113, 119, 120
33. M.T. O'Sheasy	Cost of service study	115, 128
34. J.L. Haskins	Rate design	118, 121, 127, 128, 131, 134, 143
35. E.B. Parsons, Jr.	Generation expansion & reserves, plant held for future use, SCS expenses EPRI Research, R&D projects	15, 22, 23, 25, 26, 78, 89, 94
36. M.W. Howell	Generation expansion, UPS, transmission facility charges; audit report	25, 26, 80 100, 101
37. C.R. Lee	Production O&M, budget power generation	73, 79, 88, 8[illegible] 95

Witness	Subject Matter	Issues
38. C.E. Jordan	Distribution O&M expenses, Greenhead substation	12, 97
39. E.C. Conner	Corporate office, Bonifay & Graceville, Navy House, plant held for future use; audit report	5, 7, 10, 15
40. A.E. Scarbrough	Accounting & finance governmental affairs Tallahassee office; audit report	2, 3, 4, 6, 8, 9, 18, 19, 29, 30, 38, 40, 45, 50, 51, 55, 56, 69, 71, 73, 93, 98
41. D.P. Gilbert	Budget process and budgeted component; audit report	54, 71, 86, 87, 100, 102, 103
42. M.R. Bell	Review of financial forecast and assumptions; audit report	38, 54, 71, 8[illegible], 102, 103
43. R.J. McMillan	1990 test year; financial forecast; audit report	2, 8, 11, 17, 19, 20, 21, 28, 31, 32, 33, 34, 36, 38, 41, 58, 68, 82, 85, 119
44. R.H. Jackson	Employee benefits; audit report	38, 50, 86, 91, 92, 93,96, 98
45. R.D. Bushardt	Economic evaluation of market programs	63, 101
46. W.P. Bowers	Customer service & information; sales; audit report	61-68, 100, 101, 106-108
47. J.E. Hodges	Customer services; audit report	100, 101, 104-107

Witness	Subject Matter	Issues
48. G.A. Fell	Investigative matters; audit report	38
49. D.L. McCrary	Management and customer service	38

*The testimony and exhibits of these witnesses have been stipulated into the record, and cross examination has been waived. As a result, these witnesses have been excused from attendance at the hearings June 11-22, 1990.

EXHIBITS

Attachment No. 2 contains the exhibits for all parties which have been identified in this docket.

BASIC POSITION

STAFF: Based on Gulf's MFR's, and staff's adjustments thereto, staff would normally recommend a rate increase of $7,401,000. However, given conditions of corporate mismanagement at Gulf, it would be appropriate for the Company's return on equity to be adjusted downward, thus reducing any increase that might otherwise have been granted.

GULF: Gulf Power's basic position is that Gulf's current rates and charges do not provide the Company a reasonable opportunity to earn a fair and reasonable rate of return for 1990 and beyond. The most reasonable period upon which to base permanent rates for Gulf to charge in the future is calendar year 1990.

The Company's adjusted jurisdictional rate base for the 1990 test year is projected to be $923,562,000; and the jurisdictional net operating income is projected to be $60,910,000 using the rates currently in effect. The resulting adjusted jurisdictional rate of return on average rate base is projected to be 6.60%, while the return on common equity is projected to be 7.52% for the 1990 test year. The Company is requesting in this docket that it be allowed an overall rate of return of 8.34% which equals its total cost of capital, assuming a 13.00% rate of return on common equity. The resulting revenue deficiency is $26,295,000 which is the amount of additional annual gross revenues requested by the Company in this proceeding.

As a provider of retail electric service to the people of Northwest Florida, Gulf has the statutory obligation to provide service to its customers in a "reasonable, sufficient, adequate, and efficient manner." Additionally, Gulf has the obligation to provide its shareholders with a "reasonable and adequate" return on their investment. Without adequate rate relief, Gulf cannot meet either of these obligations in the long run, and both the customers and shareholders will suffer. The customers will suffer from less reliable service and, eventually, higher costs of electricity; the shareholders will suffer from an inadequate and confiscatory return on their investment and consequently will be forced to seek other investment opportunities. For the reasons stated above, Gulf is respectfully requesting an increase in rates in the total sum of $26,295,000.

OPC: Gulf's current permanent rates generate excessive revenues of $11,791,000. The rates should be reduced by that excess. Additionally, Gulf should be penalized 200 basis points on its equity return, which should be reflected as a further reduction in rates.

II: The utility should be allowed to recover from customers only those expenses shown to be prudently incurred, reasonable in amount, and necessary to the provision of service, and should be allowed the opportunity to earn a fair return on its investment in plant used and useful in providing service to the public. The revenue requirements allocated to a particular class of customers should be based upon the costs which that class imposes on the utility system, as measured by an appropriate cost of service study.

FEA: Gulf Power's class cost of service study overstates the cost of serving the LP/LPT class. the Commission should increase rates for the LP/LPT and PXT classes by the same percentage.

FRF: None submitted.

ISSUES AND POSITIONS

If the initials of a party do not appear below, that party has taken a "no position" on that issue.

Rate Base

1. ISSUE: Gulf Power has proposed a rate base of $923,562,000 ($1,192,516,000 System) for the test year. What is the appropriate level of rate base for 1990?

STAFF: The appropriate jurisdictional amount is $869,164,000.

GULF: The appropriate level of rate base for 1990 is $923,562,000 ($1,192,516,000 System). (Scarbrough, McMillan)

OPC: The proper level of rate base is $842,351,000. ($863,512,000 System) (Larkin)

FEA: The FEA takes the same position as the Office of the Public Counsel.

2. ISSUE: The company has included $1,275,624,000 ($1,307,579,000 System) of plant in service in rate base. Is this appropriate?

STAFF: The appropriate jurisdictional amount is $1,222,409,00.

GULF: Yes. (McMillan)

OPC: No. Based on an actual vs. projected analysis for August, 1989 through March, 1990, the total company plant is overstated by $11,458,000. ($11,178,000 juris.) Plant Scherer should be removed from plant-in-service as not currently needed for retail generation. Net plant-in-service is $1,209,506 ($1,239,805 system). (Larkin)

3. ISSUE: Gulf capitalized $1,964,394 ($6,937,131 System) in excess of the original cost capitalized by Georgia Power

Company for its 25% share of Plant Scherer, Unit No. 3. Is this appropriate?

STAFF: No. Plant-in-service should be reduced by $1,964,394 ($6,937,131 system) and the related accumulated depreciation and depreciation expense should also be adjusted.

GULF: In 1989, subsequent to preparation of the test year budget, Georgia agreed to refund to Gulf a portion of the purchase price related to the tax adder for AFUDC equity and certain deferred taxes related to Unit 3. As a result of the renegotiated price, the following adjustments to our forecast are required:
(McMillan)

	System $	Jurisdictional $
Plant in service	(5,279,291)	(1,520,118)
Accumulated Depreciation	(598,433)	(172,313)
Depreciation Expense	(169,116)	(48,702)
Deferred Income Taxes	1,333,211	383,885

OPC: No. In the event the Commission decides to allow Plant Scherer in rate base, no acquisition adjustment should be included in rate base. (Larkin)

4. ISSUE: As a result of its purchase of a portion of the common facilities at Plant Scherer, Gulf recorded an acquisition adjustment of $2,458,067 ($8,680,507 System). Is this appropriate?

STAFF: No. If the Commission allows Plant Scherer in rate base, the acquisition adjustment should be removed from rate base. If the Commission allows the acquisition adjustment, then the amount should be reduced $643,581 system to reflect reimbursements in the purchase price from Oglethorpe and Dalton.

GULF: Yes. The acquisition adjustment reflects the actual cost incurred in connection with the purchase of these facilities, and is properly accounted for in accordance with the Uniform System of Accounts promulgated by FERC and adopted by the Commission. These facilities were purchased from Olgethorpe and the City of Dalton at their original cost, plus a carrying charge in accordance with our Scherer Purchase Agreement, and the transaction resulted in no profit to the selling utilities. These costs are properly included in rate base. (Scarbrough)

Subsequent to the completion of the financial forecast used for this filing, Gulf received a refund from Ogelthorpe Power Corporation related to Gulf's purchase of its share of Scherer Common Facilities. This adjustment resulted from an SCS audit find that Ogelthorpe Power Corporation had inadvertently included some Scherer Unit 2 investment in the purchase price paid by Gulf. This refund was recorded to Gulf's books in 1989, and the following reductions to our filing would be appropriate:

	SYSTEM $000	JURISDICTIONAL $000
Plant in Service	628,521	180,976
Plant Acquisition Adjustment	15,060	4,337
Accumulated Depreciation	73,428	21,143
Depreciation Expense	19,440	5,599

OPC: No. In the event the Commission decides to allow Plant Scherer in rate base, no acquisition adjustment should be included in rate base. (Larkin)

5. ISSUE: Is the $31,645,000 total cost for the new corporate headquarters land, building, and furnishings reasonable?

STAFF: No position pending receipt of discovery.

GULF: Yes, the total cost for the Corporate Headquarters is reasonable. (Conner)

OPC: The costs of the new corporate headquarters should be adjusted to remove excessive costs and costs associated with non used and useful land and building space.

6. ISSUE: Is the Caryville "sod farm" operation being properly accounted for by Gulf Power Company?

STAFF: If the accounting for the "sod farm" operation results in subsidization by the ratepayer, then appropriate adjustments should be made.

GULF: Yes. (Scarbrough)

OPC: In the event the sod farm operations are being subsidized by ratepayers, the Commission should remove these costs as non utility in nature.

7. ISSUE: Should the investment and expenses associated with the "Navy House" be allowed?

STAFF: No. Reduce ratebase $23,257 and reduce expenses $7,516.

GULF: Yes. (Conner)

OPC: Only the necessary and reasonable costs incurred to provide electric service should be included for recovery.

8. ISSUE: Has Gulf properly allocated all of the appropriate capital investment and expenses to its appliance division?

STAFF: If all investments and expenses have not been treated as non-utility then appropriate adjustments should be made.

GULF: Yes. (Scarbrough)

OPC: Only the necessary and reasonable costs incurred to provide electric service should be included for recovery.

9. ISSUE: Should Gulf's investment in the Tallahassee office be included in rate base?

STAFF: A minimum of 25% should be treated as non-utility.

GULF: Yes. The Company's office in Tallahassee is leased space. This property is used and useful and the costs associated with this facility were included in the Company's 1984 rate case. The Company has already agreed to adjust 25 percent of these expenses, associated with Gulf's registered lobbyist, from this case. The remaining investment and expenses associated with this office should be included in base rates. Gulf being a regulated industry, its employees must constantly appear in hearings, workshops and other meetings before the FPSC and other regulatory agencies which are based in Tallahassee. The Company's office in Tallahassee fulfills a vital need in terms of coordinating and preparing for appearances at these meetings.

OPC: Plant in service should be reduced by $43,000 and accumulated depreciation by $26,000. (Larkin)

10. ISSUE: Should the total cost of the Bonifay and Graceville offices be allowed in rate base?

STAFF: No. The company has not demonstrated any changes in circumstances since the 1984 rate case which would justify the total recovery of the costs of these buildings in rates. Reduce rate base by $39,000.

GULF: Yes. (Conner)

OPC: Rate base should be reduced by $183,000. (Larkin)

11. ISSUE: Gulf Power has proposed $454,964,000 ($1,451,703,000 System) as the proper level of accumulated depreciation to be used in this case. Is this appropriate?

STAFF: The appropriate jurisdictional amount is $448,396,000.

GULF: The appropriate amounts are $454,964,000 ($1,451,703,000 System). (Scarbrough, McMillan)

OPC: The provision should be increased by $3,715,000. ($3,522,000 juris.) (Larkin)

12. ISSUE: Should the plant investment made by Gulf to serve the Leisure Lakes subdivision be included in rate base?

STAFF: No. Gulf's plant investment made to serve the Leisure Lakes subdivision should not be included in rate base.

GULF: Yes. This issue is misleading as worded. Gulf's investment in the Greenhead Substation should be included in rate base. This investment was originally intended in part to serve the Leisure Lakes Subdivision and represents part of the Company's investment to serve that load. By action of the Commission, Gulf was prohibited from serving Leisure Lakes; consequently, Gulf sold a portion of the facilities constructed for that purpose to the rural electric cooperative to whom the territory was awarded. The remaining investment constitutes Greenhead Substation which is used and useful serving Gulf's customers. (Jordan)

OPC: No.

13. ISSUE: The company has included $14,949,000 ($15,739,000 System) of construction work in progress in rate base. Is this appropriate?

STAFF: Agree with the company.

GULF: Yes. (McMillan)

OPC: No position at this time.

14. ISSUE: Is the company's method of handling non-interest bearing CWIP consistent with the prescribed system of accounting?

STAFF: Yes.

GULF: Yes. (Scarbrough)

OPC: No position at this time.

15. ISSUE: Gulf has included in its jurisdictional rate base $3,925,000 ($4,025,000 System) of plant held for future use. Is this appropriate?

STAFF: Agree with Gulf.

GULF: Yes. This amount represents the original cost of land held for future use in the provision of electric service and is properly included in rate base. (Parsons, Lee, Conner)

OPC: Due to the current plans for use, the following items should not be included in rate base. Careyville land at $1,398,000; Bayfront office at $1,844,000; Pace Blvd. land at $612,000. (Larkin)

16. ISSUE: Has Gulf allocated the appropriate amount of working capital to Unit Power Sales (UPS)?

STAFF: Agree with Company.

GULF: Yes. The retail, wholesale, and UPS working capital amounts have been calculated based on the Florida Public Service Commission's requirement to use the balance sheet approach for determining working capital. (McMillan)

OPC: No. Increase the UPS working capital by $4,097,000 and decrease the system working capital by the same amount. (Larkin)

17. ISSUE: The company has included $81,711,0000 ($200,266,000 System) of working capital in rate base. What is the appropriate level of working capital?

STAFF: The appropriate jurisdictional amount is $76,277,000.

GULF: The appropriate amounts are $81,711,000 ($200,266,000 System). (McMillan)

OPC: The appropriate level of working capital is $71,094,000. ($69,014,000 juris.)

18. ISSUE: Gulf has included $1,358,278 ($1,485,221 System) prepaid pension expense in its calculation of working capital. Is this appropriate?

STAFF: Yes. However, if Gulf's decision to prepay pension expense is found to be imprudent, this amount should be excluded from working capital.

GULF: Yes. Prepaid pension expense of $1,358,278 ($1,485,221 System) is appropriate. The Company prepaid certain pension benefits in accordance with IRS rules in order to maximize its income tax deduction. The customer receives the benefit of the deferred taxes in the capital structure at zero cost. This was a prudent decision by the Company and is appropriately included in rate base. (Scarbrough)

OPC: The prepaid pension of $1,484,000 should be removed from working capital. (Larkin)

19. ISSUE: Should unamortized rate case expense be included in working capital?

STAFF: No. Commission policy is to exclude unamortized rate case expense from working capital. Reduce working capital by $765,385 ($765,385 system)

GULF: Yes. The expenses incurred in preparing, filing, and completing a rate case are necessary and legitimate costs of doing business for a regulated company. Since, these costs are to be recovered over a future period, the unamortized balance is properly included in working capital. (McMillan)

OPC: Working capital should be reduced by $765,000 to remove this item. (Larkin)

20. ISSUE: Should the net overrecoveries of fuel and conservation expenses be included in the calculation of working capital?

STAFF: Gulf is projecting zero for net overrecoveries of fuel and conservation expenses for 1990. Therefore there is no recommended adjustment to working capital.

GULF: No. All fuel and conservation expenses, including the overrecoveries and underrecoveries are properly handled in separate recovery mechanisms as determined by this Commission. In Order No. 9273, (Docket No. 74680-EI), the Commission established that interest would be paid on over and underrecoveries within the fuel conservation dockets, to counter any possible incentive to bias the projections in either direction. Therefore, since the customers already receive a return on overrecoveries through a reduction in the fuel component of their electric bill, it is inappropriate to reduce working capital and hence base rates for the same overrecovery amount. (McMillan)

OPC: Consistent with past Commission practice, this item should be included in the calculation of working capital.

21. ISSUE: Should temporary cash investments of $6,045,000 (6,399,000 system) be included in jurisdictional working capital?

STAFF: No temporary cash investments should be allowed in working capital, unless Gulf Power can demonstrate that the incluđion of temporary cash investments is necessary for the provision of utility service.

GULF: Gulf's filing reflects that temporary cash investments have been removed from jurisdictional adjusted working capital, consistent with Commission treatment in the last rate case. The appropriate amounts of temporary case investments for the 1990 test year are $6,045,000. ($6,399,000 System) These funds constitute essentially all of Gulf's available working funds, and are required and necessary for the provision of electric service to our customers. The Company believes it would be appropriate to include temporary cash investments in jurisdictional working capital. (McMillan)

OPC: No. Reduce working capital by $6,399,000.

22. ISSUE: Gulf has included $1,042,000 (system) for heavy oil inventory. Is this appropriate?

STAFF: The value of all heavy oil at the Crist Plant should be removed from working capital. Working capital should be reduced by $1,007,541 jurisdictional ($1,042,000 system).

GULF: Yes. The heavy oil at Crist Plant is the backup fuel for Units 1, 2, and 3. The primary fuel for these units is natural gas, which is subject to interruption or curtailment. Without sufficient standby fuel on site, Crist Units 1, 2, and 3 cannot be considered firm generating capacity. (Parsons, Lee)

OPC: Reduce heavy oil inventory by $925,613 ($1,042,000 system). (Larkin)

23. ISSUE: Gulf has included $359,000 (system) of light oil inventory. Is this appropriate?

STAFF: If Plant Scherer remains in rate base, the total value of #2 lighter oil and combustion turbine oil should be reduced by $215,189 jurisdictional ($222,549 system). If Plant Scherer is removed from rate base, the total value of #2 lighter oil and combustion turbine oil should be reduced by $217,148 jurisdictional ($224,575 system).

GULF: Yes. The amount of lighter oil and combustion turbine oil inventory requested is nominal. The Company carries the minimum inventory necessary to account for plant consumption, allowances for procurement time, market volatility and potential supply disruptions. The company is requesting $359,000 system for light and combustion turbine inventory at all five plants. (Parsons, Lee)

OPC: Reduce light oil inventory by $234,059 ($263,490 system). (Larkin)

24. ISSUE: Gulf has included $57,426,000 (system) for coal inventory. Is this appropriate?

STAFF: This issue appears to be misstated. With Scherer, Gulf Power's coal inventory request (net of UPS) is $52,739,000 system ($50,994,895 jurisdictional). If Plant Scherer remains in rate base, coal inventory should be reduced by $1,896,279 system ($1,833,568 jurisdictional).

If Plant Scherer is removed from rate base coal inventory should be reduced by $1,631,006 system ($1,577,068 jurisdictional).

GULF: Yes. The Company's request for coal inventory is based on a policy established by using the EPRI Utility Fuel Inventory Model. This model is widely recognized as an industry standard and the assumptions the Company uses are prudent and conservative. (Parsons)

OPC: Reduce coal inventory by $4,468,010 ($5,029,820 system). (Larkin)

25. ISSUE: Should 515 MW of Plant Daniel be included in Gulf Power's rate base?

STAFF: Yes. Plant Daniel is required to maintain adequate reserves on Gulf's system.

GULF: Yes. The Commission has recognized the prudency of Gulf's partial ownership in Plant Daniel. Plant Daniel capacity was obtained for the long-term benefit of Gulf's territorial customers. This capacity is no longer dedicated to Unit Power Sales (UPS) customers, and provides capacity to Gulf's service area. (Parsons, Howell, Scarbrough)

OPC: No position at this time.

26. ISSUE: Should 63 MW of Plant Scherer 3 be included in Gulf Power's rate base?

STAFF: No. None of Plant Scherer 3 should be allowed in Gulf's rate base since Gulf plans to sell all of this plant as a unit power sale in 1995.

GULF: Yes. The Commission has recognized the prudency of Gulf's partial ownership of Plant Scherer, Unit 3. Plant Scherer capacity was obtained for the long-term benefit of Gulf's territorial customers. This capacity is not currently dedicated to UPS customers, and provides capacity to Gulf's service area. (Parsons, Howell, Scarbrough)

OPC: No. This plant is not currently needed to serve customers and should not be included in rate base or expenses. (Larkin, Rosen)

FEA: No. Gulf Power has a reserve margin of 20.5 percent of test year 1990 without the addition of the Scherer and Daniel Plants. Gulf Power has made on-going, but unsuccessful attempts to sell the 63 MW of Scherer capacity which indicates the plant is not currently necessary.

27. ISSUE: If Plant Scherer 3 is not included in rate base, what are the appropriate rate base and NOI adjustments to exclude it?

STAFF: The following items should be adjusted:
Plant-in-service
Accumulated depreciation
Acquisition adjustment
Working capital
O&M - other
O&M - interchange
Depreciation and amortization
Amortization of ITC
Taxes other than income
Income taxes

GULF: No adjustment is appropriate. Gulf has fully justified inclusion of the 63 MW of Scherer capacity in rate base. If the 63 MW is removed from rate base, with the associated expenses, then the entire impact of the Scherer capacity should likewise be removed. The territorial customers of Gulf receive substantial benefits from the unit power sales (UPS) contracts. If the territorial customers are to bear no burden of the Scherer capacity which Gulf purchased for their benefit, they should certainly receive none of the benefits. Gulf has not yet calculated the actual revenue impact of the removal of the 63 MW of Scherer capacity; however, properly taking the UPS benefits and Intercompany Interchange Contract credits into account, the adjustments result in revenue requirements of approximately $2 million. The actual revenue requirements will be provided when available. (McMillan)

OPC: The proper adjustments to remove Plant Scherer are:

Plant in Service	$52,987,000
Accumulated Depreciation	6,558,000
Acquisition adjustment	2,317,000
Working Capital	2,187,000
Production A&G & trans. rentals	843,000
Depreciation	1,688,000
Amortization - aquis. adj. & other	89,000
Other taxes	244,000
Amortization of ITC	(96,000)

28. ISSUE: What adjustment is proper to remove the 1984 cancelled Southern Company Services' building from rate base?

STAFF: No adjustment is needed since the dollars associated with the cancelled building have already been removed from rate base by Gulf.

GULF: Agree with Staff. (McMillan)

OPC: Remove $346,000 from plant in service and $159,000 from depreciation reserve. (Larkin)

29. ISSUE: What, if any, adjustment to rate base is necessary to reflect the proper treatment for rebuilds and renovations which were expensed by the Company?

STAFF: No position at this time.

GULF:. No adjustment is necessary. Gulf properly accounts for rebuilds and renovations. (Scarbrough, Conner)

OPC: Increase plant in service by $369,000 and increase depreciation reserve by $18,000. (Larkin, Schultz)

30. ISSUE: What, if any, adjustment to rate base is necessary to remove the network protectors from expense to rate base?

STAFF: No position at this time.

GULF: No adjustment is necessary. Gulf properly accounts for maintenance of network protectors in O&M expenses. (Scarbrough)

OPC: Increase plant in service by $90,000 and depreciation reserve by $5,000. (Larkin, Schultz)

31. ISSUE: Should the remaining balance in Other Investment be included in working capital?

STAFF: No. This item has not been justified; remove $106,342 from working capital.

GULF: Yes. These insurance reserves of deposits were required to obtain reasonable prices and terms of coverage and are properly included in rate base. (McMillan)

OPC: No. This item has not been justified; remove $113,000 from working capital. (Larkin)

32. ISSUE: Should the working capital item titled "other accounts receivable" be removed?

STAFF: Agree with Gulf.

GULF: No. These receivables represents amounts due the Company upon open accounts. The majority of these billings are for pole attachment rentals for which the revenues have been included in other operating revenues. The remaining accounts are related pole and line damage claims and other miscellaneous receivables of the Company. These amounts are properly included in working capital. (McMillan)

OPC: Yes. There is no evidence that this amount is properly included in rate base. Remove $1,230,000. (Larkin)

33. ISSUE: Has the company overstated the materials & supply level?

STAFF: Agree with Gulf.

GULF: No. These are utility related and properly included in working capital. (McMillan)

OPC: Yes. Reduce M&S by $2,307,000. (Larkin)

34. ISSUE: Should the amounts shown as "other current assets" and "other miscellaneous" deferred debits be removed from working capital?

STAFF: Agree with Gulf.

GULF: No. (McMillan)

OPC: Yes. Reduce working capital by $136,000 and $30,000 respectfully. (Larkin)

35. ISSUE: Should the Caryville Subsurface Study be removed from rate base?

STAFF: No position at this time.

GULF: No. The subsurface investigation of the Caryville site is still valid and will be utilized in conjunction with the addition of generation at Caryville. (Parsons)

OPC: Yes. Remove $692,000 from rate base. (Larkin)

36. ISSUE: What, if any, additional working capital adjustments are needed to reflect OPC's expense exclusions?

STAFF: None are needed. However, it the Commission disallows certain expenses then the reserves associated with them are inappropriate.

GULF: OPC's expense exclusions are inappropriate; therefore, no additional working capital adjustments are necessary. (McMillan)

OPC: Increase working capital by: $985,000 for supplemental pension and benefits reserve; $2,935,000 for post-retirement life and medical; $12,000 for deferred school plan appliances; $59,000 for productivity improvement plan. (Larkin, Schultz)

Cost of Capital Issues

37. ISSUE: What is the appropriate cost of common equity capital for Gulf Power?

STAFF: The appropriate cost of common equity capital for Gulf Power is 12.25%.

GULF: 13.50%. (Morin)

OPC: The proper calculated return on equity should be set at 11.75% (Rothschild), however, this ROE should be adjusted downward for mismanagement.

FEA: The FEA takes the same position as the Office of the Public Counsel.

38. ISSUE: Should the newly authorized return on common equity be reduced if it is determined that Gulf has been mismanaged?

STAFF: Yes.

GULF: No. (McCrary, Scarbrough)

OPC: Yes. The return on equity should be reduced by 2.00% to reflect mismanagement.

FEA: Yes.

*39. STIPULATED ISSUE: Should the preferred stock balance appearing in the capital structure be net of discounts, premiums and issuance expenses?

STAFF: Yes. The preferred stock balance should be net of discounts, premiums, and issuance expenses.

GULF: If the preferred stock balance is reported net of discounts, premiums, and issuance expenses, a corresponding amount must be removed from the common equity balance Gulf has reported. (McMillan, Morin)

OPC: Yes.

40. <u>ISSUE</u>: Should Gulf Power's non-utility investment be removed directly from equity when reconciling the capital structure to rate base?

<u>STAFF</u>: Yes. Gulf Power's non-utility investment should be removed directly from equity.

<u>GULF</u>: No. Gulf's non-utility activities have no effect on the Company's cost of capital, and to remove these investments directly from equity would unjustly penalize the Company's stockholders. Recognizing that some of the items in the capital structure, such as customer deposits, are not related to non-utility investments from the capital structure using long-term debt, preferred stock, and common equity sources of capital as a reasonable proxy for the cost of capital. (Morin, Scarbrough)

<u>OPC</u>: Yes. The Company has removed part of this investment from debt (see MFR Sch. D 12a). Reduce equity and increase L-T debt by $7,282,000. (Larkin)

41. <u>ISSUE</u>: Should Gulf Power's temporary cash investments be removed directly from equity when reconciling the capital structure to rate base?

<u>STAFF</u>: Yes, to the extent that temporary cash investments are not necessary for the provision of utility service, Gulf Power's temporary cash investments should be removed directly from equity.

<u>GULF</u>: No. These funds are essentially all of Gulf's available working funds, and are required and necessary for the provision of electric service. (McMillan)

<u>OPC</u>: Yes.

42. <u>ISSUE</u>: What is the appropriate balance of accumulated deferred investment tax credits?

<u>STAFF</u>: The appropriate jurisdictional amount is $39,553,000.

GULF: The appropriate balance is $41,747,000 ($48,926,000 System). (McMillan)

OPC: $37,056,000 (jurisdictional); $37,987,000 (system) (Larkin; Schultz)

43. ISSUE: What is the appropriate balance of accumulated deferred income taxes?

STAFF: The appropriate jurisdictional amount is $173,346,000.

GULF: The appropriate balance is $182,959,000 ($203,823,000 System). (McMillan)

OPC: $161,078,000 (system); $157,130,000 (jurisdictional) (Larkin; Schultz)

44. ISSUE: What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure for the projected test year ending December 31, 1990?

STAFF: The appropriate weighted average cost of capital is 8.03%. (Seery)

COMPONENT	ADJUSTED PER STAFF	RATIO	COST RATES	WEIGHTED COST
Long-term debt	319,278	36.73%	8.72%	3.20%
Short-term debt	4,064	0.47%	8.00%	0.04%
Preferred stock	52,565	6.05%	7.75%	0.47%
Common equity	265,524	30.55%	12.25%	3.74%
Customer deposits	14,836	1.71%	7.65%	0.13%
Deferred taxes	173,346	19.94%	0.00%	0.00%
ITCs- Zero cost	787	0.09%	0.00%	0.00%
ITCs- Wtd. cost	38,766	4.46%	10.11%	0.45%
TOTAL	869,165	100.00%		8.03%

GULF: 8.34%. (McMillan)

ITEM	JURISDICTIONAL AMOUNT ($000's)	RATIO %	COST RATE %	WEIGHTED COMPONENT %
Long-Term Debt	329,936	35.73	8.72	3.12
Short-Term Debt	4,290	0.46	8.00	0.04
Preferred Stock	55,316	5.99	7.75	0.46
Common Equity	293,655	31.79	13.00	4.13
Customer Deposits	15,659	1.70	7.65	0.13
Deferred Taxes	182,959	19.81		0.00
Investment Credit				
-Zero Cost	831	0.09		0.00
-Weighted Cost	40,916	4.43	10.49	0.46
TOTAL	923,562	100.00		8.34

OPC:

ITEM	JURISDICTIONAL AMOUNT ($000's)	RATIO %	COST RATE %	WEIGHTED COMPONENT %
L-T debt	$325,977	37.75%	8.72%	3.29%
S-T debt	4,380	0.51%	8.00%	0.04%
Preferred stock	50,940	5.90%	7.75%	0.46%
Common equity	266,711	30.89%	9.79%	3.01%
Customer deposits	15,591	1.81%	7.65%	0.14%
Deferred taxes	161,078	18.65%	0.00%	0.00%
ITC - zero	848	0.10%	0.00%	0.00%
ITC - weighted	37,987	4.40%	9.18%	0.40%
				7.34%

45. ISSUE: Should an adjustment be made to negate the affect of the Company's corporate goal to increase its equity ratio?

STAFF: No. Gulf's common equity corporate goal to maintain a strong "A" bond rating is reasonable.

GULF: No. The common equity corporate goal is a long-term goal which reflects a desire to maintain a strong 'A' bond rating, which is in the long-term best interest of the Company and its ratepayers as well as the stockholders. (Scarbrough)

OPC: Yes. Since equity is the highest cost of capital and is further increased by taxes, any increase in this source of capital should be justified on a cost-benefit basis.

Net Operating Income

46. ISSUE: The company has proposed a net operating income of $60,910,000 ($78,848,000 System) for 1990. What is the appropriate net operating income for 1990?

    STAFF: The appropriate jurisdictional amount is $65,285,000.

    GULF: The appropriate amounts are $60,910,000 ($78,848,000 System). (McMillan)

    OPC: $75,444,000. ($73,347,000)

47. ISSUE: Should revenues be imputed to Gulf for the benefit derived by the appliance division from the use of Gulf's logo and name?

    STAFF: Agree with OPC.

    GULF: No. (Bowers)

    OPC: Yes. Any value attributable to the operation of the Company should be recognized and an appropriate allowance should be credited to the Company above the line.

48. ISSUE: Should revenues be imputed at applicable standby rates for 1990 for the PXT customer who experienced an outage of his generation capacity and took back-up power from Gulf but was not billed on the standby power rate?

    STAFF: Yes. The customer experienced a forced outage of his generator and took standby service for back-up power of 7959 KW. Revenues should be imputed for 1990 on the basis of the customer having a standby service capacity of 7959.

    GULF: No. The 7959 KW was not reported as standby service by the customer. This KW is Gulf's current best estimate of what we now believe should have been reported by the customer as standby in September of 1989. The customer presently has a contract for 7500 KW standby, and we believe the customer will limit their standby to no more than 7500 KW in the future. (Haskins)

OPC: Yes.

49. ISSUE: The company has projected total operating revenues for 1990 of $255,580,000 ($262,013,000 System). Is this appropriate?

STAFF: The appropriate jurisdictional amount is $255,656,000.

GULF: Yes. (Kilgore, McMillan)

OPC: Increase retail sales by $2,493,000. (Larkin, Rosen, Schultz)

50. ISSUE: Has Gulf budgeted a reasonable level for salaries and employee benefits?

STAFF: Agree with Gulf.

GULF: Yes. (Scarbrough, Jackson)

OPC: Employee benefits should be reduced by $1,405,445.

51. ISSUE: Is Gulf Power's projected $510,524 ($510,852 System) bad debt expense for 1990 appropriate?

STAFF: Agree with Gulf.

GULF: Yes. Gulf's approved accrual method of calculating Bad Debt expense is appropriate. (Scarbrough)

OPC: No position at this time.

52. ISSUE: Should fuel revenues and related expenses, recoverable through the fuel adjustment clause, be removed from NOI and if so, what amount?

STAFF: Agree with Gulf.

GULF: Yes. The fuel revenues are $198,128,000 and fuel related expenses are $198,132,000. The amounts have been adjusted from NOI as reflected in Schedule 9 of RJM-1. (McMillan)

OPC: Yes. No amount available.

53. ISSUE: Should conservation revenues and related expenses, recoverable through the conservation cost recovery clause, be removed from NOI and is so, what amount?

STAFF: Agree with Gulf.

GULF: Yes. The conservation revenues are $1,878,000 and the conservation related expenses are $1,877,000. The amounts have been adjusted from NOI, as reflected in Schedule 9 of RJM-1. (McMillan)

OPC: Yes. No amount available.

54. ISSUE: Should the 1990 projected test year be adjusted for any out-of-period non-recurring, non-utility items or errors found in 1989?

STAFF: Yes.

GULF: No. No such items have been included in the 1990 Test Year. (Scarbrough, Conner)

OPC: Yes. Remove $116,000 for heavy equipment rebuilds and $252,000 for renovations to the Panama City office. (Schultz)

55. ISSUE: Are Gulf's budgeted industry association dues in the amount of $199,343 during 1990 reasonable and prudent?

STAFF: In addition to the $32,150 of industry association dues removed by the company (MFR Schedule C-3) at least $20,021 should be disallowed as follows:

One-third of EEI administrative dues (Commission Order 13537, Docket No. 850465-EI, FPL Rate Case) $19,378

Industry association dues that are included in NOI and listed as "Organizations to be joined in 1990" but not identified by the company $ 643

TOTAL $20,021

GULF: Yes. Gulf's Industry Association dues are reasonable and prudent. EEI dues spent on lobbying are nominal, approximately 1% of the total, according to EEI. (Scarbrough)

OPC: The addition to those removed by the Company based on the latest EEI report an additional $21,608 should be removed.

56. ISSUE: What is the appropriate amount of rate case expense to be allowed in operating expenses?

STAFF: Projected rate case expense should be amortized over 3 years. Reduce expenses by $166,667.

GULF: Gulf budgeted the appropriate amount of rate case expense of $500,000 for the 1990 test year. This is based on the estimated total rate case cost of $1,000,000 to be amortized over two years. (Scarbrough)

OPC: Since no rate increase is necessary, no expense should be allowed for recovery. Reduce expenses by $500,000. In the event this Commission determines that a rate increase is appropriate, the expense should be adjusted based on the percentage of the total rate increase requested to the amount granted. This adjusted amount should then be amortized over 5 years. Reduce operating expenses by $300,000. (Schultz)

57. ISSUE: Should Gulf be allowed to recover any costs associated with Docket No. 881167-EI, the withdrawn rate case?

STAFF: No. gulf should not be allowed to recover any expenses associated with the withdrawn case. Furthermore, any deferred debits associated with the withdrawn case should be removed from working capital.

GULF: Gulf has no O&M expenses budgeted in the 1990 test year for the withdrawn rate case, Docket No. 881167-EI. (McMillan)

OPC: No.

58. ISSUE: Should Bank Fees and Line of Credit charges be included in operating expenses?

STAFF: Agree with Gulf.

GULF: Yes. These bank fees are for our utility banking services and are properly included in electric operating expenses. (Scarbrough, McMillan)

OPC: The total budgeted amount for this time item should be borne by the stockholders. Reduce expenses by $223,400. (Schultz)

59. ISSUE: Gulf budgeted $8,963,407 ($9,459,943 System) for Outside Services expenses for 1990. Is this amount reasonable?

STAFF: Expenses should be reduced to remove any expenses associated with grand jury investigations.

GULF: Yes. The amount if reasonable for A&G Outside Services charged to Account 923. (Scarbrough)

OPC: This account should be reduced for the affect of other issues.

60. ISSUE: Gulf has projected $7,775,000 ($7,780,000 System) in Customer Accounts expenses for 1990. Is this amount reasonable?

STAFF: Agree with Gulf.

GULF: Yes. (Scarbrough)

OPC: To the extent this classification of expenses is affected by other issues, an appropriate adjustment should be made.

61. ISSUE: Should the expenses related to the Industrial Customer Activities and Cogeneration Program be allowed in base rates?

STAFF: Yes.

GULF: Yes. Gulf should be allowed to include the expenses for this program in base rates. The activities contained in this program contribute to our on-going goal to reduce the average cost of electric service to our customers. Gulf is required, as a result of changes in FEECA, to address cogeneration as part of its plan to reduce the growth rate in peak demand. It is only logical that the Commission allow Gulf to continue a program that is now required by statute. (Bowers)

OPC: In the event this or any other program is contrary to Commission policy on conservation or cannot be justified as a legitimate expenditure, it should be disallowed.

62. ISSUE: Gulf has budgeted $50,000 for the Good Cents Incentive program. Is this expense appropriate?

STAFF: No. This program provides benefits only to the participating contractors and should not be allowed in base rates.

GULF: Yes. This activity has contributed to the overall success of Gulf's new home and improved home programs. The result has been improved efficiency in equipment and construction techniques. All ratepayers have benefitted through reduced peak demand on Gulf's system. This activity has contributed to Gulf's commitment to conservation. The expenses ($50,000) for this activity are contained within Issue No. 63 ($25,000) and Issue No. 100 ($25,000). (Bowers)

OPC: In the event this or any other program is contrary to Commission policy on conservation or cannot be justified as a legitimate expenditure, it should be disallowed.

63. ISSUE: Gulf has budgeted $457,390 for the Good Cents Improved and $1,023,995 for the Good Cents New Home programs. Are these expenses appropriate??

STAFF: No.

GULF: Yes. Gulf has demonstrated that these programs is cost-effective, have a high participation rate and that the services provided as part of the programs fulfill the demands of our customers for a source of unbiased information concerning energy efficient residential dwellings. (Bowers)

OPC: No. Remove $1,023,995 for the Good Cents New Home Program and $609,783 for the Good Cents Improved Home Program. (Schultz)

64. ISSUE: Gulf has budgeted $767,609 for the Essential Customer Service Program. Is this expense appropriate?

STAFF: Yes.

GULF: These expenses support activities required by our customers but are not contained within specific program headings. This activity is merely an accounting mechanism to which these activities are allocated. Specific expenses included are related to preparation and monitoring of the O&M budget; development of the customer, KWH, and revenue forecast; travel to meetings with the Florida Coordinating Group, Edison Electric Institute, the Department of Community Affairs, etc.; general supply expenses, as well as vehicke expense. Also included in "Essential Customer Services" are the expenses related to the Company's Safety Information Program. (Bowers)

OPC: No position at this time.

65. ISSUE: Gulf has budgeted $425,474 for its Energy Education Program. Is this expense appropriate?

STAFF: No.

GULF: Yes. The energy education program is a vehicle Gulf uses to inform our customers of the conservation and energy management programs and services available to them and to receive feedback from them on how to continue to meet their needs for new products and services. (Bowers)

OPC: No. Remove $425,474. (Schultz)

66. ISSUE: Gulf has budgeted $55,429 for its Presentation/Seminars Program. Is this expense appropriate?

STAFF: No. This program is only a promotion for local contractors and should not be included in base rates.

GULF: Yes. These presentations are customized for the needs of our commercial and industrial customers and are used to educate them regarding advanced end-use technologies and the services the Company makes available to them. (Bowers)

OPC: No. Remove $55,429. (Schultz)

67. ISSUE: Gulf has budgeted $145,652 for its Shine Against Crime Program. Is this expense appropriate?

STAFF: No. This program promotes the use of electricity and increases Kwh consumption which is contrary to the provisions of the Florida Energy Efficiency and Conservation Act (FEECA).

GULF: Yes. This program provides direct benefits to the participating customers by reducing the energy consumed for street lighting. This program benefits all customers through the better utilization of electrical plant and the significant societal benefits from a lower crime rate. (Bowers)

OPC: In the event this or any other program is contrary to Commission policy on conservation or cannot be justified as a legitimate expenditure, it should be disallowed.

68. ISSUE: Gulf has projected $687,000 ($687,000 System) for economic development expense in the sales function for 1990. Is this amount reasonable?

STAFF: No. Expenses for economic development promotes the use of additional electricity. Also, Staff does not think that Gulf should be duplicating the efforts of Chambers of Commerce or other development boards in its service area.

GULF: Yes. Gulf's service area is going to continue to grow. Our economic development activities are for the purpose of influencing the type of growth. We recognize that some growth is going to occur. Gulf wants to be in a position to assist in the management of growth so that our communities and ratepayers will receive lasting benefits. (Bowers)

OPC: The total amount for economic development should be excluded from recovery. (Schultz)

69. ISSUE: Gulf has projected $5,358,179 ($5,655,000 System) in Production-Related A&G expenses for 1990. Is this amount reasonable?

STAFF: Yes. However, if Plant Scherer is removed from rate base, then it would be appropriate to reduce A&G expenses by $263,000.

GULF: Yes. (Scarbrough)

OPC: No, this amount should be reduced as recommended in other issues.

70. ISSUE: Gulf has projected $31,070,804 ($32,792,000 System) in Other A&G expenses for 1990. Is this amount reasonable?

STAFF: Yes, except for specific A&G adjustments.

GULF: Yes. The correct amounts are $32,037,266 ($33,812,000 System). The Other A&G level of expenses is reasonable. (Scarbrough)

OPC: No, this amount should be reduced as recommended in other issues.

71. ISSUE: Has Gulf included any lobbying and other related expenses in the 1990 test year which should be removed from operating expenses?

STAFF: Agree with OPC.

GULF: Yes. Gulf inadvertently included $101,977 System lobbying expenses in the 1990 test year which should be removed. Also, Gulf included other expenses of its registered lobbyists for Information Gathering and Administrative activities which Gulf has agreed to remove in an effort to remove unnecessary controversy from these proceedings. These other expenses amount to $126,566 system. (Scarbrough)

OPC: Due to the circumstances involved in this case, it is highly possible that additional lobbying expenses remain in expenses or rate base.

72. ISSUE: What is the appropriate C.P.I. factor to use in determining test year expenses?

STAFF: The appropriate CPI factor to use is 4.4% for calendar year 1990.

GULF: The inflation (C.P.I.) factors used in MFR C-56 are appropriate:

	%
1985	3.552
1986	1.920
1987	3.662
1988	4.082
1989	4.910
1990	4.369

The most recently projected 1990 C.P.I. from Data Resources Institute (4.758% as of 5/90) would also be consistent with th methodology used by the Commission in Order No. 14030. (Gilbert)

OPC: To the extent the Company's projected expenses were based on their inflation factor and the resulting expense level is excessive, the Commission should make its own determination as to the proper factor to use.

73. ISSUE: For each functional category of expenses, what is the appropriate level of expenses for services provided by the Southern Company?

STAFF: Agree with Gulf.

GULF: The appropriate levels of SCS Operation and Maintenance expense are as follows: (Scarbrough, Lee, Howell, Bowers, Jordan, Parsons)

	Total System
Production	$3,496,551
Transmission	584,945
Distribution	108,471
Customer Accounts	2,173,025
Cust. Serv. & Info.	199,774
Administrative & Gen.	8,392,165
Total	14,954,931

OPC: The Company's amount related to steam production should be reduced by $734,595. (Schultz)

74. ISSUE: Has the company properly removed from 1990 expenses all costs related to I.R.S., grand jury and other similar investigations?

STAFF: Any amount over the $5,000 Gulf has identified as related to the IRS and grand jury investigations should also be removed.

GULF: The Company has made a concerted effort to identify and adjust from this case all costs associated with these investigations. Since filing this case the Company has discovered an additional $5,000 associated with outside auditing related to the investigation and stipulates to remove that amount at this time. (Gilbert)

OPC: Any amounts remaining should be removed.

75. ISSUE: What is the appropriate amount of pension expense for 1990?

STAFF: If Gulf's pension cost under FASB 87 is $0, the appropriate expense is $0. If pension cost is negative, the appropriate pension expense is also negative.

GULF: Gulf has budgeted $0 dollars for pension expense accrual in the test year. As a result of the actuarial report, Gulf will actually expense $156,252 in 1990. (Scarbrough)

OPC: $0 pension accrual.

76. ISSUE: Are the projected O&M expenses for additional personnel reasonable in the steam production function?

STAFF: Yes.

GULF: Yes. These expenses are justified and necessary and are beneficial to the customer. (Lee)

OPC: No position at this time.

77. ISSUE: Gulf has budgeted $210,000 in O&M expenses for research and developmental projects. Are these expenses reasonable?

STAFF: Yes.

GULF: Yes. Gulf has justified each of these projects as reasonable and in the best interest of the ratepayers. (Parsons)

OPC: Only expenses that are necessary for the provision of electric service should be included for recovery.

78. ISSUE: Has there been any "double counting" of expenses for services rendered by Southern Company Services or EPRI?

STAFF: Agree with OPC.

GULF: No. These has been no double counting of expenses for services rendered by SCS or EPRI. The projects undertaken by these groups are complimentary to one another. (Parsons)

OPC: Any possible double counting of costs cannot be identified at this time.

*79. STIPULATED ISSUE: Gulf has budgeted $332,000 for ash hauling at Plant Daniel. Is this expense reasonable?

STAFF: Yes.

GULF: Yes. These expenses are components of the total expenses for Plant Daniel which are identified in Issue No. 89. Plant Daniel ash hauling expenses are justified as this activity is now required by new environmental regulations. (Lee)

80. ISSUE: Gulf has budgeted $3,017,000 for Transmission Rents for Plants Daniel and Scherer. Are these expenses appropriate?

STAFF: Yes as long as Plant Scherer is allowed in rate base. If Plant Scherer is not allowed, this expense category should be reduced by $1,822.000.

GULF: Gulf's budget for transmission facility charges regarding Plant Daniel and Plant Scherer of $2,941,000 is reasonable. These amounts result from agreements which secured the least expensive alternative available to provide necessary transmission service to Gulf's service territory from Plant Daniel and Plant Scherer. The remaining $76,000 is for transmission facilities serving retail load in Gulf's territory and is unrelated to either Plant Danial or Plant Scherer. (Howell)

OPC: The Plant Scherer rental of $1,822,000 should be removed. No position at this time on the Plant Daniel rental.

81. ISSUE: Gulf has budgeted $1,047,000 for its Public Safety Inspection and Maintenance program. Is this expense reasonable?

STAFF: No. This expense should be reduced by $740,000 to reflect the 1990 benchmark.

GULF: Yes. (Jordan)

OPC: No position at this time.

82. ISSUE: Gulf has budgeted $47,701,000 ($54,079,000 System) for Depreciation and Amortization expense. Is this amount appropriate?

STAFF: The appropriate jurisdicitonal amount is $45,919,000.

GULF: The appropriate amount is $47,701,000 ($54,079,000 System). (McMillan)

OPC: Test year depreciation should be reduced by $967,000. (Larkin)

83. ISSUE: Gulf has budgeted $20,822,000 ($36,106,000 System) for Taxes Other. Is this amount appropriate?

STAFF: No. The appropriate jurisdictional amount is $20,501,000.

GULF: The appropriate amount is $20,822,000 ($31,106,000 System). (McMillan)

OPC: No. This amount should be adjusted based on other issues raised.

84. ISSUE: What is the appropriate amount of income tax expense for the test year?

STAFF: The appropriate jurisdictional amount is $15,973,000.

GULF: $12,765,000 ($18,999,000 System) including the amortization of investment tax credits. (McMillan)

OPC: Based on OPC's current position, state income taxes should be increased by $1,243,000 and federal income tax should be increased by $7,261,000. (Larkin)

85. ISSUE: What is the proper interest synchronization adjustment in this case?

STAFF: No position at this time.

GULF: The jurisdictional interest synchronization adjustment results in a reduction in income taxes of $442,000. (McMillan)

OPC: Based on OPC's recommended adjustments, income taxes should be increased by $587,000. (Larkin)

86. ISSUE: Should an adjustment be made to the test year reference level of $2,630,877 for the Employee Relations Planning Unit?

STAFF: Agree with Gulf.

GULF: No. A miscalculation of the 1988 reference level stated in the budget message was corrected by Corporate Planning. The correction was approved by the Budget Committee and reflected in the approval letter. The Employee Relations reference level is appropriate. The reference level as used in Gulf's budgeting process only affects the amount of documentation provided by the planning units. The budget, however, is developed independently of the reference level. (Gilbert, Bell)

OPC: The test year reference level is overstated by $728,826 and should be reduced by this amount. (Schultz)

87. ISSUE: Has the Company made the proper adjustment to remove the effect of vacancies on the labor complement?

STAFF: Agree with OPC.

GULF: Yes. The Company has already budgeted a credit of $378,000 to the O&M labor budget based on the average vacancy rate for an eight month period, January through August, 1989. The Company based the salary dollars for this adjustment on the average of the new hires for that period. This adjustment is reasonable, and should be approved by the Commission. (Gilbert)

OPC: No. The labor complement adjustment is overrstated by $990,381. This also requires a payroll tax decrease of $78,406. (Schultz)

88. ISSUE: The Company has included $5,340,000 in Turbine and Boiler inspections, is further adjustment necessary?

STAFF: Yes.

GULF: No. This is a reasonable and justified expense which is necessary and beneficial to the customer. (Lee)

OPC: Yes. Based on a 10 year average, the proper level for this expense is $4,421,065. Reduce expenses by $918,935. (Schultz)

89. ISSUE: What, if any, adjustments should be made to the level of expenses for Plant Daniel?

STAFF: No position at this time.

GULF: None. Expenses for Plant Daniel are necessary, reasonable and prudent. These expenses include the dollars associated with the ash hauling expenses identified in Issue No. 79. (Lee, Parsons, Scarbrough)

OPC Plant Daniel steam production costs should be reduced by $646,000 and $1,172,000 for A&G costs to reflect the proper benchmark level. (Schultz)

90. ISSUE: Would it be proper to amortize the 1989 credit to uncollectibles, which arose due to an accounting change, above the line?

STAFF: No adjustment should be made.

GULF: No. The change in the method of accruing for uncollectibles occurred in 1989, and the adjustment to restate the reserve balance was properly recorded in the year the accounting change was made. (Scarbrough)

OPC: Yes. Since the customers have paid for prior year uncollectibles, they should receive any credits that arose due to excess amortization. A four year amortization results in a yearly credit of $203,250. (Schultz)

91. ISSUE: Should an adjustment be made to remove part or all of the costs associated with the employee savings plan?

STAFF: This item, as well as all other items affecting wages and fringe benefits, should be considered in Gulf's total salary and benefits program.

GULF: No. The Employee Savings Plan is a reasonable and integral component of Gulf's overall salary and benefits program designed to enable the Company to attract and retain well qualified, highly motivated and talented employees. (Jackson)

OPC: Yes. The Commission should make a determination in this case as to how much of this type of employee benefit should be borne by the ratepayers. No amount yet identified. (Schultz)

92. ISSUE: Should the Commission remove all or part of the costs of the Productivity Improvement Plan (PIP)?

STAFF: This item, as well as all other items affecting wages and fringe benefits, should be considered in Gulf's total salary and benefits program.

GULF: Yes. gulf has changed its PIP program. Expenses should be reduced $339,407 ($358,209 System). The PIP program is a reasonable and integral component of Gulf's overall salary and benefits program designed to enable the Company to attract and retain well qualified, highly motivated employees. (Jackson)

OPC: Yes. The entire $464,177 should be removed from test year expenses. (Schultz)

93. ISSUE: What amount of the Performance Pay Plan should be approved for retail recovery?

STAFF: This item, as well as all other items affecting wages and fringe benefits, should be considered in Gulf's total salary and benefits program.

GULF: All expenses associated with PPP should be allowed. It is reasonable to put part of an employee's pay at risk and it increases management's control of overall salary expense. The PPP program is a reasonable and integral component of Gulf's overall salary and benefits program designed to enable the Company to attract and retain well qualified, highly motivated employees. (Jackson)

OPC: None of this amount is appropriate for recovery in retail rates. Remove $1,021,637. (Schultz)

94. ISSUE: What amount of the $326,808 for EPRI nuclear research should be included for setting retail rates?

STAFF: Agree with OPC, remove $326,808.

GULF: All of the $326,808 for EPRI nuclear research is reasonable and prudent and should be included in rates base. (Parsons)

OPC: The entire amount should be removed from expenses. (Schultz)

95. ISSUE: Should an adjustment be made to the Plant Smith ash hauling expenses?

STAFF: No.

GULF: No. This is a justified expense which is necessary and beneficial to the customer. (Lee)

OPC: Yes. This expense is overstated by $360,000. (Schultz)

96. ISSUE: What adjustment, if any, should be made to the Company's Employee Relations budget associated with the relocation and development programs?

STAFF: No adjustment should be made for the employee development program; however a reduction of $55,988 should be made in expenses associated with the employee relocation program.

GULF: No employee relocation expense adjustment is warranted. The Company budgets a reasonable amount of funds in order to allow management to put the most qualified person in vacant positions. (Jackson)

OPC: The development program costs of $72,250 should be removed as well as the $172,460 in costs associated with selling homes of relocated employees. (Schultz)

97. ISSUE: Should an adjustment be made to reduce the level of obsolete material to be written off in the test year?

STAFF: No position at this time.

GULF: No. (Jordan)

OPC: Yes. The Company has included a write off for distribution material of $109,000; this should be reduced by $83,000. (Schultz)

98. ISSUE: How much if any, of the officer and management "perks" for tax services and fitness programs should be borne by the ratepayers?

STAFF: Agree with OPC.

GULF: The Life Fitness Program is necessary to ensure management employee's health will not adversely affect the Company. This program as well as the tax services are reasonable and integral components of Gulf's overall salary and benefits program and are designed to enable the Company to attract and retain well qualified, highly motivated and talented employees. Both of these programs are beneficial to the ratepayers and thus are appropriate for recovery through base rates. (Scarbrough, Jackson)

OPC: Both of these items should be removed. Reduce expenses by $65,000. (Schultz)

99. ISSUE: The Company has projected $1,109,000 for duct and fan repairs for the test year. Should an adjustment be made to this level?

STAFF: No.

GULF: No. This is a justified expense which is necessary and beneficial to the customer. (Lee)

OPC: Yes. To more properly reflect an average year for this expense, it should be reduced by $310,319. (Schultz)

100. ISSUE: Should an adjustment be made to the Customer Services and Information benchmark?

STAFF: Yes, the Customer service expenses should be reduced by $2,157,940.

GULF: No. The expenses identified in Mr. Shultz' Schedule HWS-13 relating to "Essential Customer Service" (items 16, 17, 20, 21, 24, and 25), amounting to $626,135 are already being addressed in Issue 64. This could result in double disallowance. Items 11 and 12 ($226,883) consist of expenses related to Issue 61. (Industrial Activities). The remaining NON-ECCR expenses of $399,006 are related to Residential and Commercial Technology Transfer. This program is designed to provide training, general education, and technical support to trade allies concerning emerging technologies such as "Smart House", advanced space conditioning systems such as coil storage and integrated heat pumps, advanced water heating systems, or process heating and vapor recompression to name a few. We are using this program as a vehicle to fill an information gap between manufacturers and trade allies. Local contractors and consulting engineers are the primary influence in this market. By working closely with these groups, we can ensure that our customers make the most cost-effective decision when selecting an energy technology. (Bowers, Hodges)

OPC: Yes. Conservation costs not allowed for ECCR recovery should be disallowed in base rates also. Reduce expenses by $1,207,237. (Schultz)

101. ISSUE: The Company has included expenses for marketing in the test year. Should an adjustment be made to remove this cost?

STAFF: Agree with OPC, remove $1,148,489.

GULF: No. The expenses detailed in Items 9-18 (totalling $685,500) on Mr. Shultz' schedule HWS-14 are contained in Issue No. 68. These are expenses related to the Company's Economic Development program. Items 1 and 2 (totalling $108,510) are administrative and general expenses related to personnel administration and general report preparation. These expenses ($108,510) are necessary for the proper management of the Company's marketing efforts. Items 3 and 4 ($50,665) are the same expenses as those related to Issue 61. Items 5-8 ($303,814) are expenses incurred in the development of the Company's load forecasts, economic analysis and market research activities. All of these activities are critical in providing the basis for sound business decisions which result in reliable, low cost service of Gulf's customers.

The corporate forecast of customers, energy sales, base rate revenues and peak hour demand represents the initial step in the Company's planning process. The forecast is necessary both for effective short-term operational planning, as well as for long-term generation resource planning. Further, the forecast plays a vital role in regulatory proceedings, including the State Planning Hearings and retail rate cases.

The economic evaluation of demand side options represents a crucial aspect of the marketing planning function. This activuty serves to ensure that conservation and load management initiatives implemented by the Company are in the best interests of our customers. This is also a regulatory requirement to provide cost-effective evaluations of such programs.

The market research function also plays a critical role in effective program implementation. Gulf considers the attitudes, opinions and needs of our customers to be the foundation of our program development process. The information gathered through market research enables the Company to identify practical and cost-effective program offerings. This function is also necessary to meet requirements of the Commission's End-Use Data Rule. (Bowers, Hodges, Bushart)

OPC: Yes. The identifiable level of marketing expense which should be removed is $1,148,489. (Schultz)

102. ISSUE: What adjustments are necessary to reflect a proper benchmark test of expense levels?

STAFF: No other adjustments than those previously mentioned are needed.

GULF: No adjustments other than those made by the Company are necessary. (Scarbrough, Bowers, Howell)

OPC: The following expenses have not been adequately explained or verified in the Company's benchmark analysis and should be reduced accordingly. (Schultz)

a.	Plant Crist-condensing & cooling proj.	$ 289,000
b.	Distrib.-work order clearance	$ 418,154
c.	Distrib.-underground line extensions	$ 351,000
d.	Distrib.-network protectors	$ 90,000
e.	Electric & magnetic fields study	$ 39,000
f.	Acid rain monitoring	$ 43,000
		$1,230,154

103. ISSUE: Gulf has budgeted $129,712,291 for O&M expenses. Is this amount appropriate?

STAFF: The appropriate jurisdictional amount is $108,488,000 (OTHER) less $510,000 (INTERCHANGE), or a total of $107,978,000.

GULF: Yes. The appropriate amount is $129,712,291 (System). (Scarbrough)

OPC: The proper level of O&M expenses is $98,464,000 less any amount for issues for which no amount is yet known.

Miscellaneous

104. ISSUE: Was the production and promotion of the appliance video known as "Top Gun" contrary to the Commission's policy regarding fuel neutrality?

STAFF: Yes.

GULF: No. First, there are no dollars associated with any activity of this kind included in the 1990 test year expenses. Therefore, this issue is irrelevant. Second, it was Gulf's understanding at the time that the fuel source neutrality policy, as espoused by the Commission, was applicable to incentives (rebates) recovered through the conservation cost recovery mechanism. This event occurred in 1987. The controversial portion of the video constituted approximately 10 seconds. The remaining almost seven minutes was dedicated to the promotion of energy efficient homes. Gulf's intent with respect to the video, as with all of our promotional efforts, is to provide information and technical expertise to customers on the most energy efficient application for their particular circumstance. Ours and the Commission's philosophies are identical--the best interest of the customers. The video was intended to be shown only one time, at a seminar to less than 200 people. Since that time, Gulf's management has on a number of occasions acknowledged that the controversial portion of the video was an inappropriate response to the promotional efforts of other energy suppliers. (Hodges)

OPC: Yes. These costs should not be included for recovery.

105. ISSUE: Was the production and distribution of tee-shirts with the "Gas Busters" symbol contrary to the Commission's policy regarding full neutrality?

STAFF: Yes.

GULF: No. First, there are no dollars associated with any activity of this kind included in the 1990 test year expenses. Therefore, this issue is irrelevant. Second, it was Gulf's understanding at the time that the fuel source neutrality policy, as espoused by the Commission, was applicable to incentives (rebates) recovered through the conservation cost recovery mechanism. This event occurred in 1985. Since that time, Gulf's management has on a number of occasions acknowledged that, in hindsight, the shirts were an inappropriate response to the promotional efforts of other energy suppliers. (Hodges)

OPC: Yes. These costs should not be included for recovery.

106. ISSUE: Was the incentive program known as "Good Cents Incentive" which utilized electropoints that were redeemable for trips, awards, and merchandise contrary to the Commission's policy regarding fuel neutrality?

STAFF: Yes.

GULF: No. This issue duplicates Issue No. 62. This promotional tool is source neutral as it is available to any contractor who wishes to participate and has resulted in increased numbers of energy efficient homes in Northwest Florida. (Bowers, Hodges)

OPC: Yes. These costs should not be included for recovery.

107. ISSUE: In 1987, a commercial building received energy awards from both the U.S. Department of Energy and the Governor's Energy Office yet did not receive Good Cents certification because of a small amount of back up gas power. Was this practice contrary to the Commission's policy regarding fuel neutrality?

STAFF: Yes.

GULF: No. The Commission's fuel source neutrality policy only applies to incentives paid through the conservation cost recovery mechanism. Gulf's program, as originally approved by the Commission, required a building to be all electric in order to receive Good Cents certification. The building referred to was built in 1984; Gulf's standards were revised in 1986, And now allow certification of buildings utilizing natural gas. (Bowers, Hodges)

OPC: Yes.

108. ISSUE: Has Gulf participated in misleading advertising in order to gain a competitive edge on gas usage?

STAFF: Yes.

GULF: No. There is no advertising of the nature which this issue addresses contained in teh 1990 budget. This issue is therefore irrelevant. The ads which this issue is apparently intended to address were in response to the natural gas company advertising which misled the customers by overstating the cost of electric service in a Good Cents Home. Gulf's ads were implemented in resopnse to the inaccurate gas company ads. Gulf is not attempting to gain a competitive edge on gas usage through use of advertisements. We do have a desire to present the truth to our customers. (Bowers)

OPC: No position at this time.

Revenue Expansion Factor

*109. STIPULATED ISSUE: What is the appropriate revenue expansion factor for 1990?

STAFF: Agree with OPC.

GULF: The Revenue Expansion factor is 61.2858 percent and the NOI multiplier is 1.631699. (McMillan)

OPC: .612858. (NOI Mult. = 1.631699. This should be adjusted for any change in the bad debt allowance.

Revenue Requirements

110. ISSUE: Gulf has requested an annual operating revenue increase of $26,295,000. Is this appropriate?

STAFF: The appropriate jurisdictional amount is $7,401,000.

GULF: Yes. (McMillan, McCrary)

OPC: The Company's requested increase is inappropriate. A rate decrease of $11,791,000 should be implemented along with a reduction for the equity return penalty.

111. ISSUE: Should any portion of the $5,751,000 interim increase granted by Order No. 22681 issued on 3-13-90 be refunded?

STAFF: Yes. $2,949,000 should be refunded on an annual basis. In general, a refund should be ordered if it is necessary to reduce the rate of return during the pendency of the proceeding to the same level within the range of the newly authorized rate of return which is found fair and reasonable on a prospective basis, as provided by Chapter 366.071, Florida Statutes.

In this docket, the interim increase of $5,751,000 was calculated using an 8.26% rate of return, which is higher than the 8.03% rate of return recommended by Staff. Using the 8.03% rate, the amount of the interim increase would have been $2,802,000 on an annual basis.

GULF: No. The Company's requested rate relief of $26,295,000 is appropriate. (Scarbrough, McMillan)

OPC: Yes, the entire amount should be refunded.

*112. STIPULATED ISSUE: Should Gulf be required to file, within 30 days after the date of the final order in this docket, a description of all entries or adjustments to its future annual reports, rate of return reports, published financial statements and books and records which will be required as a result of the Commission's findings in this rate case?

STAFF: Yes. The utility should be required to fully describe the entries and adjustments which will be either recorded or used in preparing reports submitted to the Commission.

GULF: Gulf will make all appropriate filings, as required by the Commission. (Scarbrough)

OPC: Yes.

Cost of Service & Rate Design

*113. STIPULATED ISSUE: Are the company's estimated revenues for sales of electricity based upon reasonable estimates of customers, KW and KWH billing determinants by rate class?

STAFF: Yes, with the exception that the utility should have included billing determinants for the PXT customer who used 7959 KW of standby power in 1989. The billing determinants are based on the no migration filing.

GULF: Yes. (Kilgore)

OPC: Tentatively agree with Staff.

FRF: Agree with Staff.

*114. STIPULATED ISSUE: The present and proposed revenues for 1990 are calculated using a correction factor. Is this appropriate?

STAFF: Yes. While staff believes proper estimating procedure would eliminate the need for correction factors, the method used by Gulf requires that the revenue forecast done by revenue class in aggregate be reconciled with the forecast developed by the rate section.

GULF: Agree with Staff. (Haskins)

OPC: Agree with Staff.

FRF: Agree with staff.

115. ISSUE: What is the appropriate cost of service methodology to be used in designing the rates of Gulf Power Company?

STAFF: The Refined Equivalent Peaker Cost requested in Interrogatory No. 212 of Staff's 13th Set. The cost of service study should classify fuel inventory as energy-related. The supplemental Energy Optional Rider should be a separate rate class; the coincident demands should be developed using the same assumption and methodologies used for other rate classes. (See Issue 116)

GULF: 12 MCP and 1/13 energy. (O'Sheasy)

OPC: The Equivalent Peaker Cost methodology proposed by Citizens' witness, Robert Scheffel Wright. However, if the Commission decides to use a Refined Equivalent Peaker cost study, it should require that Gulf perform a new study that uses the classes'relative shares of energy consumption in the Company's actual on-peak hours, not their energy use in the highest-demand hours under the load duration curve, to allocate the energy-related component of production plant. Additionally, the revised study should classify fuel inventory as energy-related and should directly assign the rate base value of primary and higher voltage level conductor that functions as dedicated distribution facilities to the rate classes that these dedicated facilities serve. (Wright)

II: With respect to the allocation of production plant among customer classes within the cost of service study, the principle of cost causation is best measured and implemented for Gulf Power Company by Jeffery Pollock's "near peak" method of gauging the classes' contributions to summer peak demands. By sampling demands during all hours in which the system is within 5% of a peak, this method provides a representative measurement of classes' responsibilities, overcoming a criticism of other CP methods which measure only a few hours. The method also appropriately assigns an identical "mix" of generation resources to each customer class. It would be possible to arrive at an alternative methodology designed to mirror the utility's generation planning process. However, the simplistic "equivalent peaker" approach would distort cost relationships by failing to emulate the decision process followed by planners; by failing to account for the effect on reliability of the high forced outage rates of peaking units; and by failing to recognize in the form of adjustments to operating costs the very trade-off between capital and operating costs upon which the method purportedly is based. The refined equivalent peaker (REP) developed during the pendency of the most recent (settled) Florida Power Corporation case overcomes the first of these deficiencies; and the adjustments needed to correct for the others are necessary and possible. (Pollock)

FEA: The FEA is in general agreement with Gulf's proposed 12 MCP and 1/13 energy. The 12 MCP has been FERC's preferred allocation technique for determining wholesale jurisdictional allocations. The equivalent peaker approach approach proposed by OPC witness Wright will distort cost relationships.

FRF: Agree with OPC.

*115a. STIPULATED ISSUE: How should Gulf's GS rates be designed?

STAFF: The GS rate should be set equal to the RS rate.

GULF: Gulf's GS/GST rates should be set equal to the RS/RST rates. Combining the two classes for rate design purposes would increase RS/RST unit costs slightly but would result in a substantial decrease in GS/GST unit costs. (Haskins)

OPC: Gulf's GS rates should be set equal to the company's RS rates.

116. ISSUE: How should distribution costs be treated within the cost of service study?

STAFF: No distribution costs other than service drops and meters should be classified as customer-related.

GULF: Distribution cost should be separated into demand and customer classifications. The demand classified cost should be allocated on a demand allocator and customer classified cost should be allocated on a corresponding customer related allocator. (O'Sheasy)

OPC: To the extent practicable, distribution facilities that serve as dedicated facilities serving individual customers or small, identifiable groups of customers within identifiable rate classes, including conductors that function as service drops or dedicated tap lines, dedicated substations, and any redundant distribution facilities serving individual customers (e.g., local capacitors and redundant transformers), should be directly assigned to the classes whose members the facilities serve. These facilities should be classified as demand-related and recovered through a local facilities charge or maximum demand charge (i.e., a charge applicable to a customer's maximum demand, regardless when it occurs). Secondary service drops should be classified as customer-related, allocated to classes on the basis of the mix of metering facilities serving the class (e.g., PXT should be allocated no share of standard secondary voltage level watt-hour meters, while RS should be allocated no share of high-voltage level metering facilities), and recovered through cost-based customer charges. Common distribution facilities should be classified as demand-related, allocated on the basis of class NCP demands, and recovered through maximum demand charges (for demand-metered classes) or non-fuel energy charges (for non-demand-metered classes). In keeping with its precedents, the Commission should reject the minimum distribution system approach to classifying and allocating distribution costs.

II: Some portion of distribution costs (i.e., FERC accounts 364-368) should be classified as customer-related because this investment is incurred to connect the customer to the system irrespective of the demands imposed or the energy used. (Policy for future implementation) (Pollock)

FRF: Agree with II.

117. ISSUE: How should uncollectible expenses be allocated?

STAFF: Uncollectible expense should be allocated to all rate classes based on revenues.

GULF: Uncollectible expenses should be assigned or allocated upon a cast causitive allocator. (O'Sheasy)

OPC: Agree with Staff.

II: Uncollectible expenses should be directly assigned to those classes which incurred them. (Pollock)

FRF: Agree with II.

118. ISSUE: How should fuel stocks be classified?

STAFF: The level of fuel inventory allowed in rate base has been based on a calculated number of days burn which is a function of number of KWH to be generated. Therefore, fuel stock should be classified as energy-related.

GULF: The amount of fuel inventory required for a generating plant is a function, to a large degree, of its capacity. It should not be allocated solely on energy. (O'Sheasy)

OPC: Agree with Staff.

II: The minimum fuel stocks have some of the aspects of a fixed cost, in that they are continuing in nature; and, without the ongoing inventory, the utility could not operate units reliably. Therefore, the fuel stocks should be classified between the demand and energy components. (Pollock)

FRF: Agree with Staff.

119. ISSUE: Are Gulf's separation of amounts for wholesale and retail jurisdictions appropriate?

STAFF: The appropriate separation factors are those in the cost of service study requested in Staff's Interrogatory No. 209.

GULF: Yes. Gulf's separation of amounts for wholesale and retail jurisdiction is appropriate as reflected in response to Industrial Intervenors Second Request fort Production of Documents, Item No. 27. (Kilgore, O'Sheasy)

OPC: Awaiting a deposition exhibit which could determine Public Counsel's position.

FRF: No position.

120. ISSUE: Is the method employed by the company to develop its estimates by class of the 12 monthly coincident peaks hour demands and the class non coincident peak hours demand appropriate?

STAFF: No. The 12 CP and class (NCP) demands have been underestimated for LP/LPT and PX/PXT customers taking service on the Supplemental Energy Rider because all KWH forecast to be used during Supplemental Energy Periods have been excluded in the development of the demands. The assumptions for recreational lighting customers have underestimated at least their estimated class (NCP) demand.

GULF: Yes. (Kilgore)

OPC: Agree with Staff.

II: Yes.

FEA: Yes.

FRF: Agree with staff.

121. ISSUE: If a revenue increase is granted, how should it be allocated among customer classes?

STAFF: The increase should be spread among the rate classes in a manner that moves class rate of return indices closer to parity. To the extent possible increases should be limited to 1.5 times the retail system percentage increase in total revenues. It may be appropriate to lower a class' rates.

GULF: Agree with Staff's position on this issue. (Haskins)

OPC: Any increase should be allocated among rate classes so as to being class rate of return indices closer to parity as indicated by the cost of service study approved by the Commission in this case. To the extent possible, increases should be limited to 1.5 times the percentage increase in total retail system revenues. If a class's rate of return index can be moved closer to parity by reducing its rates, then such reductions should be implemented. Even if the Commission determines that Gulf should receive no revenue increase, rates should be readjusted in order to move them closer to parity.

II: Agree with Staff. (Pollock)

FEA: Gulf Power's class cost-of-service study overstates the cost of serving the LP/LPT class. The commission should increase rates for the LP/LPT and PXT by the same percentage, i.e., 8.48 percent. If the commission awards Gulf Power a small amount of revenue than this percentage should be decreased accordingly. (Johnson)

FRF: Agree with OPC.

*122. STIPULATED ISSUE: If an increase in revenues is approved, unbilled revenue will increase. Is the method used by the utility for calculating the increase in unbilled revenues by rate class appropriate?

STAFF: Yes. The assumption that unbilled revenues will bear the same relationship to the increase as to current revenues is a reasonable basis for assigning unbilled revenues.

GULF: Agree with Staff. (Haskins)

OPC: Agree with Staff.

*123. STIPULATED ISSUE: Should the increase in unbilled revenues be subtracted from the increase in revenue from sales of electricity used to calculate rates by class?

STAFF: Yes. If not, the increase in rates will be overstated.

GULF: Agree with Staff. (Haskins)

OPC: Agree with Staff.

124. ISSUE: What are the appropriate customer charges?

STAFF: The level of customer charges should be reflect the unit cost assigned through the approved cost of service study.

GULF: The appropriate customer charges are those resulting from the revised cost of service study and rate design as shown in the response to Interrogatories No. 12 and 13 of Industrial Intervenors Second Set of Interrogatories and Industrial Intervenors Second Request for Production of Documents, No. 27, as shown below: (Haskins)

RATE SCHEDULE	PRESENT CHARGE	UNIT COST	PROPOSED CHARGE
	$	$	$
RS	6.25	9.71	8.00
GS	7.00	19.01	10.00
GSD	27.00	42.06	40.00
LP	51.00	450.75	225.00
PX	146.00	1138.88	570.00
RST	9.25	n/a	11.00
GST	10.00	n/a	13.00
GSDT	32.40	n/a	45.40
LPT	51.00	n/a	225.00
PXT	146.00	n/a	570.00

OPC: Customer charges should be set as close as reasonably practicable to the customer unit costs indicated by the Commission-approved cost of service study.

II: The customer charges should parallel the unit cost developed in the approved cost of service study.

FRF: Agree with II.

125. ISSUE: What are the appropriate demand charges?

STAFF: The concept of lower demand charges for GSD/GSDT than for LP/LPT and PX/PXT proposed by the company is appropriate. The GSD/GSDT class has more diversity and thus imposes less cost per billing demand on the system peak than higher load factor classes.

GULF: Agree with Staff's position on this issue as set forth in Staff's Prehearing Statement in this docket. The appropriate demand charges are those proposals based on the revised cost of service study and rate design as shown in the response to Interrogatories No. 12 and 13 of Industrial Intervenors Second Set of Interrogatories and Industrial Intervenors Second Request for Production of Documents, No. 27, as shown below: (Haskins)

STANDARD RATE	PRESENT CHARGE	UNIT COST	PROPOSED CHARGE
	$	$	$
GSD	6.25	7.55	4.52
LP	6.25	9.23	8.51
PX	7.50	8.59	8.26
TOU RATE			
GSDT			
Max	2.96	7.55	2.20
On-peak	3.42		2.46
LPT			
Max	2.97	9.23	4.14
On-peak	3.35		4.50
PXT			
Max	3.56	8.59	4.00
On-peak	3.99		4.31

OPC: Basically agree with Staff.

II: Support approach of Gulf as to PX/PXT.

FRF: Agree with Staff.

126. ISSUE: The company presently has seasonal rates for the RS and GS rate classes. Should seasonal rates be retained for RS and GS? If so; should they be required for GSD/GSDT, LP/LPT and PX/PXT?

STAFF: Seasonal rates should be eliminated. However, if seasonal rates are retained for RS and GS, they should be required of GSD/GSDT, LP/LPT and PX/PXT.

GULF: Yes. Seasonal rates for rates RS and GS should be retained. The Company has had seasonal energy charges in rates RS and GS since 1962 in order to better track costs incurred by the Company in the peak summer period and to send the proper price signal to the summer peaking customers as an incentive to control peak demand. The Company at this time is not proposing seasonal demand rates because we chose not to introduce the additional complexity of seasonal rates for these classes in this filing. (Haskins)

OPC: If the Commission determines that seasonal rates are cost-based and therefore should be retained for Gulf's RS and GS classes, then seasonal rates should also be implemented for Gulf's other rate classes. If the Commission determines that seasonal rates are not cost-based, then they should be eliminated for all rate classes. In any event, Gulf's GS rates should be set equal to the Company's RS rates. (Wright)

FRF: Agree with Staff.

127. ISSUE: If seasonal rates are continued, how should they be designed?

STAFF: The seasonal price differential for the RS and GS rate classes should be set at the company's proposed ratio of 1.18 to 1.00. The seasonal price differential for the company's GSD/GSDT, LP/LPT and PX PXT rate classes should be recovered through the standard demand charge for non-time of use rates and the on-peak demand charge for time of use rates. Further, the seasonal price differential should be based on the class's coincidence factor during the four summer peak months.

GULF: The same ratio of summer price to winter price as in our present RS rate should be retained, and this same ratio should be used to obtain the GS seasonal differential. (Haskins)

OPC: Seasonal rates should probably differ from non-seasonal rates by having greater amounts of demand-related production and transmission costs incorporated into the demand charges (for demand-metered customers) or non-fuel energy charges (for non-demand-metered customers) applicable during the months of the defined peak season or seasons, and by seasonally-differentiated fuel charges. One reasonable approach could be to allocate the demand-related production and transmission costs to identified peak seasonal months and non-peak months according to aggregate reliability index values in the peak and non-peak months. The allocation of energy-related production costs and non fuel charges, should not vary seasonally, with a possible exception for seasonal variations in on fuel variable O&M costs, if identifiable. Local facilities charges should not vary from season to season, nor should customer charges.

FRF: No position.

128. ISSUE: How should time-of-use rates be designed?

STAFF: Time-of-use rates should be developed as follows: The energy KWH charge should be set at class energy unit cost; the maximum billing demand charge should be set equal to the distribution unit cost. The on-peak demand charge would be an amount sufficient to recover the remaining revenue requirement, including costs relating to the transmission plant and the demand related production plant.

GULF: The Load Factor Methodology as approved by the Commission in our last three rate cases in appropriate to calculate TOU energy and demand prices. Customer charge revenue is calculated first by utilizing the unit costs from the Cost of Service Study. For demand TOU rates, the standard demand price (based on demand unit costs from the Cost of Service Study and based on the demand charge we proposed to maintain) is split into "on peak" and "max" demand components, using the Load Factor Methodology. Then the remaining target revenue is split into on and off peak energy charges, again using the Loan Factor Methodology. The TOU rates are designed to be revenue neutral to the standard rate counterpart; i.e., the rates are designed assuming all customers are on the TOU rate. (Haskins)

OPC: Agree with Staff.

II: Generally support the concept outlined in Staff's position.

FRF: Agree with Staff..

129. ISSUE: DELETED

130. ISSUE: The company currently gives transformer ownership discounts of $.25 per KW for customers taking service at primary voltage and $.70 per KW for customers taking service at transmission levels. Is the current level of discounts appropriate?

STAFF: No. The transformer ownership discount for primary level customers should be set at $0.35/KW/Month for GSD/GSDT and $0.42/KW/Month for LP/LPT. The transformer ownership discounts for transmission level customers should be set at $0.41/KW/Month for GSD/GSDT, $0.52/KW/Month for LP/LPT and $0.11/KW/Month for PX/PXT.

GULF: No. The Company proposes that the transformer ownership and metering voltage discounts as developed in the response to Interrogatory Nos. 110, 111, and 113 of Staff's Eight Set of Interrogatories, after adjustment for the variance of demand and energy charges from unit cost, be approved. (Haskins)

OPC: Agree with Staff.

FEA: No. The discount for customers taking service at primary voltage should be raised from $.25 per KW to $.70 per KW for primary level LPT customers. The discount for customers taking service at transmission levels should be raised from $.70 per KW to $1.35 per KW for transmission level LPT customers. (Johnson).

FRF: No position.

131. ISSUE: All general service demand rate schedules (GSD, GSDT, LP, LPT, PX, and PXT) except Standby Service (SS) and Interruptible Standby Service (ISS) provide for transformer ownership and metering discounts. The company has proposed providing metering discounts only for standby service rate schedules. Should the SS and ISS rate schedules have provisions for both transformer ownership and metering voltage discounts? If so, should the level of the transformer ownership discount and metering voltage discount for SS and ISS be set equal to the otherwise applicable rate schedule?

STAFF: Yes. Adopt same position as public counsel.

GULF: The SS and ISS rate schedules should provide for metering voltage discounts only pursuant to Order No. 17159. In addition, pursuant to that order, the discount should be applied only to the energy portion of the bill. The metering voltage discount to be applied to the energy portion of the bill should be the same as the otherwise applicable demand rate schedule. (Haskins, O'Sheasy)

OPC: Yes. The level of the transformer ownership discount should be calculated based on 100 percent ratcheted billing demand in order to match the calculation of the local facilities demand charge applicable to standby service. Paying the same credits as applicable under full requirements rate schedules may provide too great a credit because these are calculated on the sum of annual billing demand, which is smaller than 100 percent ratcheted billing demand (i.e. the sum of each customer's maximum demand during the year times 12).

II: Yes, the SS rate schedule should have provisions identical to the corresponding full requirements demand schedules, as to transmission and metering discounts.

FEA: Customers who own and maintain their transformers enable Gulf Power to avoid the cost of installing and maintaining this equipment. The metering energy discount for the LP/LPT primary voltage should be increased from 1 percent to 4 percent. The metering energy discount for the LP/LPT transmission voltage schedule discount should be increased from 2 percent to 6 percent.

FRF: No position.

*132. STIPULATED ISSUE: Should Gulf's proposed revision of the statement of the customer charge on the standby service rate schedules (SS and ISS) be approved?

STAFF: No. Order No. 17159 at 18 requires that, if a company does not have a curtailable rate schedule, it shall utilize the customer charge of the otherwise applicable general service large demand rate schedule plus $25 for the customer charge for standby service. Thus, the LP/LPT customer charge plus $25 should be the customer charge for all standby service customers, except for those taking supplementary service on PX/PXT for whom the charge should be the PX/PXT customer charge plus $25.

GULF: No. Agree with Staff. (Haskins)

OPC: Agree with Staff.

II: Agree with Staff.

FRF: No position.

*133. STIPULATED ISSUE: Should Gulf's proposed change in the definition of the capacity used to determine the applicable local facilities and fuel charges on the standby service rate schedules (SS and ISS) be approved?

STAFF: No. The changes in the definition of the capacity used to determine the local facilities and charges is not in conformance with the terms and conditions prescribed in Order No. 17159 for standby service.

GULF: No. Agree with Staff's position on this issue. (Haskins)

OPC: Agree with Staff.

FRF: No position.

*134. STIPULATED ISSUE: Should the proposed paragraph on the monthly charges for supplementary service on the SS and ISS rate schedules be approved?

STAFF: No. To be consistent with the position on the customer charge for standby service, the second sentence should be eliminated or revised to indicate that the customer does not have a second customer charge for supplementary service.

GULF: No. Agree with Staff's position on this issue. (Haskins)

II: Agree with Staff.

135. ISSUE: Should the Interruptible Standby Service (ISS) Rate Schedule's sections on the Applicability and Determination of Standby Service (KW) Rendered be replaced by the language approved for the firm Standby Service (SS) in Docket No. 891304-EI?

STAFF: Yes. The section on the Determination of Standby should be replaced by the language approved for the firm Standby Service (SS) in Docket No. 891304-EI. In addition, the generation output used in the formula to calculate the Daily Standby Service KW on both the SS and ISS rate schedules should be changed from "Maximum totalized customer generation output occurring in any interval between the end of the prior outage and the beginning of the current outage" to "amount of load in KW ordinarily supplied by customer's generation."

GULF: Only the Determination of Standby Service (KW) Rendered Section should be replaced by the approved language for the Standby Service Rate. The change in the Applicability Section of the Standby Service rate would not apply because it states a customer having on-site generating equipment is required to take standby service under certain conditions; however, this requirement would not apply to interruptible standby service customers. (Haskins)

OPC: Agree with Staff.

II: No position at this time.

FRF: No position.

135a. ISSUE: How should the daily standby service demand be determined?

STAFF: Daily standby service demand should be the amount of load in KW ordinarily supplied by the customer's generation minus the customer's generation output in KW minus the amount of load reduction in KW as a direct result of the customer's generation outage.

GULF: The daily standby service demand should be determined using the formula on Standby Service tariff sheet no. 6.30 with the addition of an adjustment for any seasonal variations in generation output. This proposed addition to the formula is shown on Schedule 7 of the exhibit to the rebuttal testimony of witness Haskins. (Haskins)

II: The daily standby service demand should be based on the difference between the miximum demand occurring in the on-peak hours during an outage and the corresponding maximum demand during a non-outage period of the current billing month.

136. ISSUE: The present standby rates are based on system and class unit costs from Docket No. 840086-EI. Should the standby rate schedules (SS and ISS) charges be adjusted to reflect unit costs from the approved cost of

service study (a compliance rerun) in this docket and the 1990 IIC capacity charge rates and designed in the manner specified by the Commission in Order No. 17159?

STAFF: Yes.

GULF: Yes. (Haskins)

OPC: Agree with Staff.

II: The Commission should allocate costs to the class; develop unit costs; and design rates accordingly, based on the cost of service study approved in this case. The use of system-wide average unit costs and the assumptions as to forced outage rates contained in Order No. 17159 would defeat the purpose of setting rates to all classes based on the class cost of service study, and these procedures (system costs, 10% forced outage rates) should not and need not be applied to the Rate SS class. (Pollock)

FRF: No position.

137. ISSUE: Order No. 17568, Docket No. 850102-EI approved the experimental Supplemental Energy (SE) (Optional) Rider as a permanent rate schedule on the condition that it become a separate rate class in the company's next rate case. Has Gulf complied with Order No. 17568, and should the SE be a separate rate class?

STAFF: Gulf has not complied with Order No. 17568. The Supplemental Energy Rider should have been included as a separate rate class in the cost of service study and should be a separate rate schedule. As specified in Order No. 17568, it should be a cost based rate; it should not be used as a load retention rate to prevent the economic development of cogeneration.

GULF: During the preliminary conference regarding the MFR's before filing our withdrawn case, Docket No. 881167-EI, a verbal agreement between the Company and the then Bureau Chief of Electric Rates was reached not to separate the SE customers from the others in that rate class because SE is a rider applied to other rate classes and not a separate rate class in itself. This is the same treatment given to customers in the residential class taking the optional levelized billing rider and for customers on all of the optional TOU rates. (Haskins)

OPC: Agree with Staff.

II: There should be no separate class for SE customers. Supplemental Energy is provided to customers only on an as-available basis, and only on the condition that Gulf Power not be required to make any investment to accommodate that service. Therefore, there is no logical reasons to establish a separate class for SE customers because there are no costs caused by that usage. Further, the establishment of a separate class could create potential instability, due to the small size of the SE "class" and the resulting small size of the class of remaining PXT customers.

FRF: No position.

138. ISSUE: How should rates for the separate Supplemental Energy Rate Schedule be designed?

STAFF: The Supplemental Energy rate should have a maximum demand charge assessed on maximum measured KW to recover distribution system costs, an on-peak demand charge to recover production and transmission system costs, and customer and energy charges.

GULF: The Supplemental Energy (SE) customers' billing determinants should be combined with non-SE customers' billing determinants for rate design purposes. (Haskins)

OPC: The Supplemental Energy rate should have a maximum demand charge designed to recover distribution systems costs, an on-peak demand charge to recover demand-related production and transmission costs, a non-fuel energy charge equal to the class energy unit cost and a cost-based customer charge. The maximum demand charge should be the distribution unit cost for the SE rate class calculated using 100 percent ratcheted billing demand and assessed on maximum demand registered by the customer during an appropriate ratchet period defined in the tariff. The ratchet period should be the same as the ratchet period applied to local facilities charges for Gulf's standby customers.

II: The rates applicable to SE customers should be identical to the corresponding rate applicable to non-SE customers within the same rate class. To do otherwise could cause instability because of the small size of the SE and non-SE subclasses. (Pollock)

FRF: No position.

139. ISSUE: The applicability clause of the three demand classes (GSD, LP and PX) is stated in terms of the amount of KW demand for which the customer contracts. Is this an appropriate basis for determining applicability?

STAFF: No. In the past, contracts have not been required of all these customers, and Gulf's response to Staff's Interrogatory No. 115 indicates that contract demand often bears little relationship to actual measured demand. The applicability for both demand and the PX/PXT 75% load factor should be based on actual measured demand.

GULF: Yes. If the proposed Local Facilities Charge for rates LP, LPT, PX, and PXT is approved, Gulf will initiate a review and possible revision of existing LP/LPT and PX/PXT contracts and signing of appropriate new contracts with those LP/LPT customers who presently do not have a signed contract. For new customers, you would have no actual demand upon which to base a contract or to determine which rate would be applicable; thus, without a contract capacity, you would have no meaningful contract. (Haskins)

OPC: Agree with Staff.

FRF: Agree with Staff.

140. ISSUE: The current GSD/GSDT and GSLD/GSLDT (LP/LPT) rate schedules have minimum charges equal to the customer charge plus the demand charge for the minimum KW to take service on the rate schedule for customer opting for the rate schedule. Is this minimum charge provision appropriate?

STAFF: No. It unduly penalizes customers who opt for the higher rate class because they pay for the minimum KW, even if their usage falls below it, while customers who are on the rate because their actual usage equaled or exceeded the minimum are billed on actual usage even if their actual usage falls below the minimum.

GULF: No. Results of our initial analyses indicate that the GSD rate becomes cheaper than the GS rate as KW increases and also as load factor improves. At the proposed level of GS energy prices, these break even points are too low for reasonable implementation. However, if this relationship changes significantly as a result of other decisions in this case, then such a change may be workable. If so, the Company would like to see it approved. Likewise, if the change is made in the minimum demand provision of the LP/LPT rates, then new rates would have to be designed to assure recovery of any lost revenues as a result of additional crossovers to rates LP/LPT and any reduction in demand (kw) used for billing purposes. (Haskins)

OPC: Agree with Staff.

FRF: Agree with Staff.

141. ISSUE: What is the appropriate method for calculating the minimum bill demand charge for the PX rate class?

STAFF: The minimum bill demand charge for PX should be the customer charge plus a per KW demand charge, consisting of the KW demand charge for the class plus the KWH charge times the KWH necessary to achieve a 75 percent load factor.
(KW charge + 547.5 x KWH charge) = per KW minimum charge

GULF: Agree with Staff's position on this issue. (Haskins)

OPC: The minimum bill for PX customers should include at least the customer charge plus a local facilities charge equal to the class distribution unit cost calculated using 100 percent ratcheted billing demand and applied to the customer's highest demand in the two years ending with the current billing month. Basically agree with Staff's approach as to the other cost components of the PX minimum bill.

II: Consistent with the applicable paragraph, rate PX/PXT customers should be subject to a minimum annual billing demand charge. (Pollock)

FRF: No position.

142. ISSUE: What is the appropriate method for calculating the minimum bill demand charge for the PXT rate class?

STAFF: The minimum bill demand charge should be calculated by the methodology outlined in the company's response to Interrogatory No. 124 of Staff's Eighth Set. The PXT demand charge revenue would be divided by the total maximum KW and added to the PXT energy charge revenue after it has been divided by the total KWH and adjusted for a 75% load factor.

GULF: Agree with Staff's position on this issue and, in addition, the minimum bill would include the Local Facilities Charge, if applicable. (Haskins)

OPC: The minimum bill for PXT customers should include at least the customer charge plus a local facilities charge equal to the class distribution unit cost calculated using 100 percent ratcheted billing demand and applied to the customer's highest demand in the two years ending with the current billing month. Basically agree with Staff's approach as to the other cost components of the PXT minimum bill.

II: While we generally agree with the Staff's method, the load factor should be based on maximum on-peak demand to encourage customers to use more power during the off-peak periods. (Pollock)

FRF: No position.

*143. <u>STIPULATED ISSUE</u>: The proposed change in the application of the minimum bill provision allows a customer who has less than a 75 percent load factor in a given month to not be billed pursuant to the minimum bill provision as long his annual load factor for the current and most recent 11 months is at least 75 percent. Is this appropriate?

<u>STAFF</u>: Yes. The applicability of the tariff is based on an annual load factor. It is appropriate to assess minimum billing based on an annual load factor as well, even if the monthly load factor temporarily falls below 75 percent.

<u>GULF</u>: Agree with Staff. (Haskins)

<u>OPC</u>: Agree with Staff.

<u>II</u>: Yes, agree with Staff.

<u>FRF</u>: Agree with Staff.

144. <u>ISSUE</u>: The company has proposed the implementation of a local facilities demand charge for LP/LPT and PX/PXT customers, which would be applied when the customer's actual demand does not reach at least 80 percent of the Capacity Required to be Maintained (CRM) specified in the Contract for Electric Power. Is this local facilities charge appropriate? If so, to what customer classes should it apply?

<u>STAFF</u>: No. It is inappropriate to apply the charge to the contract capacity because the contract demand often bears little relationship to measured demand. If implemented, the local facilities charge should be assessed on a customer's maximum measured demand.

<u>GULF</u>: Yes. This charge will protect other customers from having to subsidize those customers who, on a temporary or permanent basis, reduce their load or shut down completely. Such a customer would be obligated to pay at least the minimum monthly bill, which would include the Local Facilities charge, if applicable, for

the duration of the contract. We propose to use this Local Facilities Charge for our large customers (LP,LPT, PX, and PXT). (Haskins)

OPC: No. The Commission should require Gulf to implement local facilities demand charges for all of its demand-metered classes calculated and applied in the same way as the local facilities charges prescribed by the Commission for standby customers.

II: The load factor should be based on the higher of either 90% of the highest measured demand in the last eleven months or 80% of the capacity required to be maintained. (Pollock)

FRF: Agree with Staff.

145. ISSUE: The company's proposed street and outdoor lighting rates are shown on the revised MFR Schedule E-16d submitted as item No. 147 of Staff's Eighth Set of Interrogatories. Should these proposed rates be approved?

STAFF: Rates for the components of street and outdoor lighting should reflect as closely as practicable the cost associated with those components. Final rates depend on the revenue requirement assigned to the classes.

GULF: No. The proposed street and outdoor lighting rates shown on the 2nd revision of MFR Schedule E-16d, submitted as Late Filed Exhibit No. 16 of J.L. Haskins 2nd Deposition in this docket, should be approved. These rates are based on calculations using better information regarding additional facilities charges that was not available to us until after original rates are filed. Therefore, they represent a better forecast of appropriate rates. (Haskins)

OPC: No position at this time.

FRF: No position.

146. ISSUE: The company proposes to eliminate the general provisions pertaining to replacement of lighting systems on the Outdoor Service Rate Schedule (OS). Is this appropriate?

STAFF: Yes. The present language in the general provisions should be eliminated and replaced by a new provision. The new provision should require all customers who request, before failure of the fixture, replacement of their mercury vapor fixtures with high pressure sodium fixtures to pay to the company an amount equal to the undepreciated portion of the original cost of the removed fixture, plus cost of removal, less any salvage value of the removed fixture.

GULF: Yes. The Commission should not impede the replacement of old mercury vapor fixtures with more energy efficient high pressure sodium lights. Otherwise, replacement of any mercury fixture, regardless of age, would be effectively halted because customers would be required to pay for removal of a worthless fixture. (Haskins)

OPC: No position.

FRF: No position.

*147. STIPULATED ISSUE: Should the language on OS-III be clarified so that only customers with fixed wattage loads operating continuously throughout the billing period (such as traffic signals, cable TV amplifiers and gas transmission substations) would be allowed to take service on OS-III?

STAFF: Yes. The cost responsibility for this class was developed in the company's cost of service study on the basis that OS-III customers' load was constant, i.e., customer usage was at the same level for all 8760 hours. Therefore, the tariff should clearly state that only customer with constant usage are to be served under this schedule.

GULF: Yes. Agree with Staff. (Haskins)

148. ISSUE: Since the company's last rate case, sports fields taking service on rate schedules GS and GSD were allowed to transfer to the OS-III rate schedule. The company has now proposed an OS-IV rate for sports fields. Is this appropriate, and, if so, how should the rate be designed?

STAFF: No. The Commission eliminated special rates for Sports Fields in the early 1980's. These customers should be served on the otherwise applicable general service rate with a transition rate implemented at doube the current OS-III rate.

GULF: Yes. Sports field with night time lighting load should not receive service under OS-II, OS-III, GS, or GS-D because their load characteristics are not similar to those of OS-II, OS-III, GS, or GS-D loads. Specifically, the load does not remain on Gulf's system for the entire "darkness hours" period. The load also does not peak at the same time as the GS or GS-D loads. This rate should have a Customer Charge and an Energy Charge. (Haskins)

FRF: No position.

149. ISSUE: The company's proposal for service charges are summarized as follows:

	Present	Company Proposed
Initial Service	$16.00	$20.00
Reconnect a Subsequent Subscriber	16.00	16.00
Reconnect of Existing Customer after Dis-Connection for Cause	16.00	16.00
Collection Fee	6.00	6.00
Installing & Removing Temporary Service	48.00	60.00
Minimum Investigative Fee	30.00	55.00

Are these charges appropriate?

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STAFF: Staff proposes the following service charges based on the unit costs provided by the company.

	Unit Cost	Staff Recommended
Initial Service	$19.79	$19.75
Reconnect a Subsequent Subscriber	14.52	14.50
Reconnect of Existing Customer after Dis-Connection for Cause	17.62	17.60
Collection Fee	5.26	5.25
Installing & Removing Temporary Service	58.67	58.75
Minimum Investigative Fee	55.02	55.00

GULF: Yes. (Haskins)

OPC: Agree with Staff.

FRF: No position.

*150. STIPULATED ISSUE: Should LP customers who have demands in excess of 7500 KW but annual load factor of less than 75 percent be allowed to opt for the PXT rate?

STAFF: No. In general, lower load factor customers have higher costs to serve than customers meeting the 75 percent load factor criterion. The PXT rate as designed would underrecover the total cost of service if lower load factor customers were allowed to opt up, simply to reduce an individual customer's bill. If such an option were approved, the costs associated with the lower load factor customers should be included in determining PXT rates.

GULF: Agree with Staff. (Haskins)

OPC: No. Allowing customers to opt up based on size, rather than on usage characteristics, would reduce the homogeneity of the PXT class, resulting in potential underrecovery of costs from the customers thus opting up and in potential intra-class cross-examination.

FEA: The FEA is in general agreement with the Staff.

151. ISSUE: Should Gulf's proposal to decrease the PXT on-peak energy charge and increase the off-peak energy charge be approved?

STAFF: No. Agree with OPC.

GULF: Yes. Agree with Industrial Intervenors' witness, Jeffry Pollock, as he states in his testimony that even though the overall energy charge revenue would be less, the results are consistent with the unit costs in the revised costs of service study. (Haskins)

OPC: No. Although these charges are in the right directions, the non-fuel energy charges for both on-peak kWh consumption and off-peak kWh consumption should be set equal to the class energy unit cost, unless evidence is presented to establish that variable O&M costs differ between the on-peak and off-peak periods, in which case a slight on-peak/off-peak differential based on such variable O&M cost differences would be justified. (Wright).

II: Yes, consistent with the unit cost study.

FRF: No position.

152. ISSUE: Should scheduled maintenance outages of a self-generating customer that are fully coordinated in advance with Gulf Power be subject to the ratchet provision of the SS rate?

STAFF: Yes.

GULF: Yes. Standby Service Order No. 17159 requires that the initial standby service contract demand represent the maximum backup or maintenance demand that the customer expects to impose on the utility. To insure the accuracy of the initial contract demand, the order includes a ratchet provision to increase this contract demand for a total of 24 months if the actual standby taken exceeds the contract demand. (Haskins)

OPC: All demands registered during maintenance outages, even those fully coordinated in advance with Gulf should be subject to the ratchet provisions of the SS rate applicable to local facilities charges.

Additionally, all kW demands registered during the monthly peak that determine Gulf's payments or revenues pursuant to the Southern Company Intercompany Interchange Contract should be subject to the ratchet provision applicable to the Reservation Charge. If a self-generating customer can coordinate its maintenance power service with Gulf so as to avoid (1) any impact on Gulf's demand-based IIC payments or revenues or (2) any other adverse impacts on Gulf or its general body of ratepayers, then a fair case may be made for excusing demands registered during such periods from the ratchet provisions applicable to the Reservation Charge. (Wright)

II: No. There is no reason to apply the ratchet feature if the coordination avoids incurring additional capacity-related costs. This treatment of coordination is contemplated by the Commission's general order on standby service (Order No. 17159). (Pollock, Kisla)

FRF: Agree with II.

153. ISSUE: Should the assumed 10% forced outage factor for self-generating customers that is built into the SS rate design be continued?

STAFF: Yes. There is insufficient data to modify the forced outage factor at this time.

GULF: Yes. In the Standby Order No. 17159, a 10% forced outage rate was specified as the outage rate to be used in the calculation of the Reservation Charge and Daily Demand Charges. (Haskins)

OPC: In the absence of sound, reliable data to support an alternative value for the forced outage rate used to set the reservation charge, it would be reasonable to use the 10% forced outage rate prescribed by the Commission in Order No. 17159, Docket No. 85673-EU.

However, to the best of Public Counsel's knowledge, Gulf Power has failed to collect and report the data on standby usage required by the Commission per Order No. 17159. That Order, issued February 6, 1987, required each subject utility, including Gulf, to collect and report annually certain specified billing data, data on load factor and coincidence factor, and customer generation and availability. Order No. 17159 at 22. The Commission expressly recognized that these data were "necessary to assure, on a continuing basis, that the rates that we [the Commission] approve for these services are fair and cost-based." Id. Allowing Gulf to continue to set the standby reservation charges on the basis of Order No. 17159, which was issued more than three years ago, when Gulf itself has failed to comply with that Order's requirements to collect and report these data, would unfairly give Gulf control over the rates: through its failure to collect the required data, Gulf can perpetuate the use of an assumed forced outage rate that may well result in unfairly high rates. Therefore, if the Commission can find competent, substantial evidence to support using a different forced outage rate, then it should alter the rate accordingly.

As an appropriate penalty for Gulf's failure to comply with Order No. 17159, the Commission should impute revenues at rates based on the 10% forced outage rate upon which Gulf has attempted to rely but should only permit Gulf to collect revenues through rates based on whatever forced outage rate the Commission finds to be reasonable. Public Counsel would be willing to make Mr. Wright, who was the Commission's lead staff member in the standby rates docket, available to work with the Commission and the Industrial Intervenors to evaluate the proprietary data referred to by Mr. Pollock in his testimony in an effort to determine whether a lower forced outage rate and lower reservation charges based thereon are warranted.

II: An analysis of the forced outage rates of Gulf's self-generating customers and self-generating customers of other utilities supports the conclusion that the 10% assumed forced outage factor is too high. A more reasonable forced outage rate would not exceed 5%. (Pollock)

FRF: No position.

154. ISSUE: Would it be appropriate to grant a rate change without allowing the redesign of rates to recover the approved revenue, run the rates in competition, and go through the same iteration process as was done in the original filing of the case and the revised portion of this case?

STAFF: No. After staff prepares initial rates, the company should be allowed one cross-over analysis to determine migrations due to changes in rate structure, as has been Commission policy in all rate cases since 1982. The results of this adjustment should then be given to staff for design of the final rates. Only the shortfall in revenues from the migration of customers due to changes in the rate structure in this docket should be recognized in the design of permanent rates.

GULF: No. If not allowed this opportunity, then the Company would end up not collecting the full amount of the granted revenue increase as intended by the Commission. (Haskins)

OPC: Yes.

II: It would be approriate to recognize the likelihood of migration in the designing of final rates.

FRF: No position.

155. ISSUE: Which party to this proceeding should design the Company's final rates?

STAFF: Staff should calculate the permanent rates. The company should be allowed to calculate the shortfall from the migration of customers due to changes in the rate structure in this docket once, and the shortfall should be recognized in the permanent rates.

GULF: Any interested party to this rate case should be allowed to submit their proposal for design of the initial rates and for final rates. Then the Commission can choose the rate design proposal, or combination of proposals, it deems appropriate. However, since Gulf is the only party to this case which has the capability of running rates in competition, identifying crossovers to cheaper rates, and accounting for any revenue shortfalls, Gulf should prepare the final rates to be approved by the Commission for customer billing. (Haskins)

OPC: Agree with Staff.

II: Apparently, it makes sense for Gulf Power to perform the migration studies. Whether Gulf or Staff performs the final rate design, the information concerning studies, assumptions, and design methodology should be available to parties.

FRF: Company should formulate with a reviewed by Commission for conformance with order.

156. ISSUE: If the Commission decides to recognize migrations between rate classes, how should the revenue shortfall, if any, be recovered?

STAFF: In the absence of a rerun of a cost of service study reflecting the new rate class composition, the revenue impact of customers transferring from one rate class to another rate class due to a change in rate structure of approved rates should be allocated to the two involved classes proportional to each class's approved revenues. The revenue of migrating customers should be included in the class to which they are migrating.

GULF: Approved rates should be applied to test year customer billing determinants. Any revenue shortfall resulting from crossovers to cheaper rates (after the adjustment resulting from accounting for any revisions to rates that the crossovers are billed under) should be recovered from the customers who do not cross to a different rate class. A thorough review of each customer's usage is done during this iteration and crossover process to assure that customers are on the appropriate rate schedule under proposed rates. (Haskins)

OPC: Agree with Staff.

II: Any shortfall should be made up from the class from which the customer migrates.

FRF: Migrations should be recognized, but no position at this time on how it should be done.

157. ISSUE: DELETED

158. ISSUE: Should the SE rate be modified to allow additional opportunity sales to self-generating customers who have generating capacity which is available but less economic?

STAFF: KWH and capacity purchased to replace energy and capacity normally generated by a customer's generator which is experiencing a forced outage or an outage for scheduled maintenance, is clearly standby power and should be billed as standby power. The language in the SE rider or rate schedule should not be changed. However, a sentence should be added to the definition of backup service to define unscheduled outage as the loss or reduction of generation output due to equipment failure(s) or other condition(s) beyond the control of the customer. Similarly, under maintenance service a scheduled outage should be defined as the loss or reduction due to maintenance activities of any portion of a customer's generating system.

GULF: No modification is necessary. Self-generating customers may reduce generation for economic reasons under present tariffs and Commission rules and take additional capacity and energy as supplementary service, including supplementary service with the SE Rider applied. (Haskins)

OPC: Generally agree with Staff. Additionally, the rate schedule or rider under which such service is taken must include a local facilities charge for the recovery of distribution costs. This local facilities charge should be applicable to the customer's maximum demand, reglardless when it occurs, and should be designed in the same way that local facilities charges applicable to standby service are designed. The rate should also include a non-fuel energy charge, applicable to all KWH used by the customer, equal to the class energy unit cost.

II: Yes. The SE rate is designed to encourage opportunity sales of electric power and energy when capacity is available at a reasonable price. Such sales as described in this issue would not be in violation of the standby service tariff because the customer would have to have generating resources available. A 30 minute notice provision applicable to self-generating customers enabling Gulf to cease SE service to those customers prior to peak conditions would protect other customers from uneconomic transactions while promoting the type of sales the SE rate was designed to encourage. (Pollock, Kilsa)

FRF: No position.

PENDING MOTIONS

There are no pending motions in this docket of which the parties are aware.

STIPULATED ISSUES

Issue Nos. 39, 79, 109, 112, 113, 114, 115a, 122, 123, 132, 133, 134, 143, 147, 150.

REQUIREMENTS

All applicable procedural orders and rules have been complied with.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that these proceedings shall be governed by this order unless modified by the Commission.

By ORDER of Commissioner Thomas M. Beard, Prehearing Officer, this 4th day of JUNE, 1990.

Thomas M. Beard, Commissioner
and Prehearing Officer

(S E A L)
(6966)SBr:bmi

COMPANY: GULF POWER COMPANY
DOCKET NO.: 891345-EI
TEST YEAR: DECEMBER 31, 1990

COMPARATIVE RATE BASES

PREHEARING

SCHEDULE 1
03-Jun-90
08:11 PM

LINE NO.	CO. ADJ. NO.	ISSUE NO.	DESCRIPTION	COMPANY FILING: SYSTEM PER BOOKS	COMPANY FILING: JURISDICTIONAL PER BOOKS	COMPANY FILING: ADJUSTMENTS	COMPANY FILING: JURISDICTIONAL ADJUSTED	STAFF RECOMMENDATION: ADJUSTMENTS	STAFF RECOMMENDATION: JURISDICTIONAL ADJUSTED	PUBLIC COUNSEL: ADJUSTMENTS	PUBLIC COUNSEL: JURISDICTIONAL ADJUSTED	NOT USED: ADJUSTMENTS	NOT USED: JURISDICTIONAL ADJUSTED
1			PLANT IN SERVICE		1,275,624								
2		2	OVERSTATEMENT OF PLANT					0		(11,174)			
3		3	SCHERER TAX ADDER ADJ.					0		0			
4		5	NEW CORPORATE HEADQUARTERS					0		0			
5		7	NAVY HOUSE					(23)		0			
6		8	APPLIANCE DIVISION					0		0			
7		9	TALLAHASSEE OFFICE					(24)		(42)			
8		10	BONIFAY / GRACEVILLE					(39)		(39)			
9		12	LEISURE LAKES					(142)		(140)			
10		16	UNIT POWER SALES					0		(54,825)			
11		25	PLANT DANIEL					0		0			
12		27	PLANT SCHERER					(52,987)		0			
13		29 & 30	REBUILDS, RENOVATIONS & PROTECTORS					0		448			
14		28	CANCELED SCS BUILDING					0		(346)			
15													
16			Total plant in service		1,275,624	0	1,275,624	(53,215)	1,222,409	(66,118)	1,209,506	0	1,275,624
17													
18													
19			DEPRECIATION RESERVE		454,964								
20		11	JDITC UNDERSTATEMENT					0		3,622			
21		9	TALLAHASSEE OFFICE					(10)		(25)			
22		16	UNIT POWER SALES					0		(6,968)			
23		27	PLANT SCHERER					(6,558)		0			
24		N/A	OTHER OPC ADJUSTMENTS					0		(227)			
25													
26			Total depreciation reserve	0	454,964	0	454,964	(6,568)	448,396	(3,598)	451,366	0	454,964
27													
28													
29			Net plant in service	0	820,660	0	820,660	(46,647)	774,013	(62,520)	758,140	0	820,660
30													
31													
32			CONSTRUCTION WORK IN PROGRESS		14,949								
33		13	LEVEL OF CWIP					0		0			
34		14	NON-AFUDC CWIP					0		0			
35													
36													
37													
38			Total CWIP	0	14,949	0	14,949	0	14,949	0	14,949	0	14,949
39													
40													
41			PROPERTY HELD FOR FUTURE USE		3,925								
42		15	LEVEL OF PHFFU					0		(3,758)			
43													
44													
45			Total prop. h[illegible]d for future use	0	3,925	0	3,925	0	3,925	(3,758)	167	0	3,925
46													
47													

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COMPANY: GULF POWER COMPANY
DOCKET NO.: 891345-EI
TEST YEAR: DECEMBER 31, 1990

COMPARATIVE RATE BASES

PREHEARING

SCHEDULE 1
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08:38 PM

LINE NO.	CO. ADJ. NO.	ISSUE NO.	DESCRIPTION	COMPANY FILING: SYSTEM PER BOOKS	COMPANY FILING: JURISDICTIONAL PER BOOKS	COMPANY FILING: ADJUSTMENTS	COMPANY FILING: JURISDICTIONAL ADJUSTED	STAFF RECOMMENDATION: ADJUSTMENTS	STAFF RECOMMENDATION: JURISDICTIONAL ADJUSTED	PUBLIC COUNSEL: ADJUSTMENTS	PUBLIC COUNSEL: JURISDICTIONAL ADJUSTED	NOT USED: ADJUSTMENTS	NOT USED: JURISDICTIONAL ADJUSTED
48													
49													
50													
51			ACQUISITION ADJUSTMENT										
52		4	SCHERER ACQUISITION ADJUSTMENT		2,317								
53		27	PLANT SCHERER							(2,317)			
54								(2,317)					
55			Total acquisition adjustment										
56				0	2,317	0	2,317	(2,317)	0	(2,317)	0	0	2,317
57													
58			Net utility plant										
59				0	841,851	0	841,851	(48,964)	792,887	(68,595)	773,256	0	841,851
60													
61			WORKING CAPITAL										
62		16	UNIT POWER SALES		81,711								
63		18	PREPAID PENSIONS					0		(3,039)			
64		19	RATE CASE EXPENSES					0		(1,442)			
65		20	ADJ. CLAUSE OVERRECOVERIES					(765)		(743)			
66		21	TEMPORARY CASH INVESTMENTS					0		0			
67		22	HEAVY OIL INVENTORY					0		0			
68		23	LIGHT OIL INVENTORY					(926)		(1,011)			
69		24	COAL INVENTORY					(217)		(275)			
70		27	PLANT SCHERER					(1,233)		(4,883)			
71		28	CANCELED SCS BUILDING					(2,187)		0			
72		31	OTHER INVESTMENTS					0		0			
73		32	OTHER ACCOUNTS RECEIVABLE					(106)		(110)			
74		33	MATERIALS & SUPPLIES					0		(1,194)			
75		34	OTHER CUR. ASSETS & MISC. DEF. DEBITS					0		(2,240)			
76		35	CARYVILLE SUBSURFACE STUDY					0		(161)			
77		36	OPC EXPENSE ADJS.					0		(672)			
78								0		4,009			
79													
80			Total working capital										
81				0	81,711	0	81,711	(5,434)	76,277	(12,697)	69,014	0	81,711
82													
83			TOTAL RATE BASE	0	923,562	0	923,562	(54,398)	869,164	(81,292)	842,270	0	923,562

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COMPANY: GULF POWER COMPANY
DOCKET NO.: 891345-EI
TEST YEAR: DECEMBER 31, 1990

COMPARATIVE NET OPERATING INCOME

PREHEARING

SCHEDULE 2
03-Jun-90
08:38 PM

				COMPANY FILING				STAFF RECOMMENDATION		PUBLIC COUNSEL		NOT USED	
LINE NO.	CO. ADJ. NO.	ISSUE NO.	DESCRIPTION	SYSTEM PER BOOKS	JURISDICTIONAL PER BOOKS	ADJUSTMENTS	JURISDICTIONAL ADJUSTED	ADJUSTMENTS	JURISDICTIONAL ADJUSTED	ADJUSTMENTS	JURISDICTIONAL ADJUSTED	ADJUSTMENTS	JURISDICTIONAL ADJUSTED
1	REVENUE FROM SALES OF ELECTRICITY				249,813								
2		48	PXT / STANDBY RATES					76		0			
3		49	REVENUE PROJECTIONS					0		2,433			
4													
5													
6			Total sales of electricity	0	249,813	0	249,813	76	249,889	2,433	252,246	0	249,813
7													
8													
9	OTHER OPERATING REVENUES				5,767								
10													
11													
12													
13			Total other operating revenues	0	5,767	0	5,767	0	5,767	0	5,767	0	5,767
14													
15													
16			Total operating revenues	0	255,580	0	255,580	76	255,656	2,433	258,013	0	255,580
17													
18													
19	OPERATING EXPENSES:												
20	OPERATION & MAINTENANCE				113,382								
21		7	NAVY HOUSE					(8)		0			
22		27	PLANT SCHERER					3,699		(257)			
23		50	SALARIES & BENEFITS					0		(1,374)			
24		51	BAD DEBT EXPENSE					0		0			
25		52	FUEL REV & EXP					0		0			
26		53	CONSEVATION REV & EXP					0		0			
27		54	OUT-OF-PERIOD, ETC.					0		0			
28		55	INDUSTRY ASSOC. DUES					(20)		(21)			
29		56	RATE CASE EXPENSES					(167)		(293)			
30		57	881167-EI EXPENSES					0		0			
31		58	BANK FEES & LINES OF CREDIT					0		(218)			
32		59	OUTSIDE SERVICES					0		0			
33		60	CUSTOMER ACCOUNTS EXP.					0		0			
34		61	COGEN / INDUSTRIAL CUSTOMER					0		0			
35		62	GOOD CENTS INCENTIVE					(86)		0			
36		63	GOOD CENTS PROGRAMS					(1,481)		(1,597)			
37		64	ESSENTIAL CUSTOMER SERV.					0		0			
38		65	ENERGY EDUCATION PROGRAM					(425)		(416)			
39		66	PRESENTATIONS & SEMINARS					(55)		(54)			
40		67	SHINE AGAINST CRIME					(768)		0			
41		68	ECONOMIC DEVELOPMENT					(687)		(671)			
42		69	PRODUCTION A&G					0		0			
43		70	OTHER A&G					0		0			
44		71	LOBBYING					(253)		0			
45		73	SCS EXPENSES					0		(401)			
46		74	GRAND JURY, ETC.					(5)		0			
47		75	PENSION EXPENSE					0		0			
48		76	STEAM PROD. PERSONNEL					0		0			

COMPANY: GULF POWER COMPANY
DOCKET NO.: 891345-EI
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COMPARATIVE NET OPERATING INCOME

PREHEARING

SCHEDULE 2
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LINE NO.	CO. ADJ. NO.	ISSUE NO.	DESCRIPTION	COMPANY FILING: SYSTEM PER BOOKS	COMPANY FILING: JURISDICTIONAL PER BOOKS	COMPANY FILING: ADJUSTMENTS	COMPANY FILING: JURISDICTIONAL ADJUSTED	STAFF RECOMMENDATION: ADJUSTMENTS	STAFF RECOMMENDATION: JURISDICTIONAL ADJUSTED	PUBLIC COUNSEL: ADJUSTMENTS	PUBLIC COUNSEL: JURISDICTIONAL ADJUSTED	NOT USED: ADJUSTMENTS	NOT USED: JURISDICTIONAL ADJUSTED
49		77	RESEARCH & DEVELOPMENT										
50		78	ERPI / SCS					0		0			
51		79	PLT. DANIEL ASH HAULING					0		(317)			
52		80	TRANSMISSION RENTS					0		0			
53		81	PUBLIC SAFETY INSPECTIONS					(1,822)		(1,781)			
54		86	EMPL. RELATIONS PLANNING					(740)		0			
55		87	VACANCIES					0		(712)			
56		88	TURBINE / BOILER INSPECTION					(990)		(1,045)			
57		89	PLANT DANIEL EXPENSES					0		(898)			
58		90	1989 UNCOLLECTIBLE CREDIT					0		(1,777)			
59		91	EMPLOYEE SAVING PLAN					0		(199)			
60		92	PIP					0		0			
61		93	PERFORMANCE PAY PLAN					0		(454)			
62		94	EPRI NUCLEAR RESEARCH					0		(999)			
63		95	PLT. SMITH ASH HAULING					(327)		(319)			
64		96	EMPLOYEE RELATIONS					0		(352)			
65		97	OBSOLETE MATERIAL					(56)		(240)			
66		98	MANAGEMENT PERKS					0		(81)			
67		99	DUCT & FAN REPAIRS					(65)		(64)			
68		100	CUSTOMER SERVICE & INFO					0		(303)			
69		101	MARKETING					0		(1,180)			
70		102	BENCHMARK CALCULATION					(1,148)		(1,123)			
71		29 & 30	RENOVATIONS AND REBUILDS					0		(1,202)			
72		PC	UNIT POWER SALES					0		(360)			
73								0		3,790			
74													
75			Total operation & maintenance										
76				0	113,382	0	113,382	(5,404)	107,978	(14,918)	98,464	0	113,382
77													
78			DEPRECIATION AND AMORTIZATION		47,701								
79		12	LEISURE LAKES										
80		27	PLANT SCHERER					(5)		0			
81		PC	EFFECT OF OPC ADJUSTMENTS					(1,777)		0			
82								0		(2,791)			
83			Total depreciation and amortization										
84				0	47,701	0	47,701	(1,782)	45,919	(2,791)	44,910	0	47,701
85													

COMPANY: GULF POWER COMPANY
DOCKET NO.: 891345-EI
TEST YEAR: DECEMBER 31, 1990

COMPARATIVE NET OPERATING INCOME

PREHEARING

SCHEDULE 2
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LINE NO.	CO. ADJ. NO.	ISSUE NO.	DESCRIPTION	COMPANY FILING: SYSTEM PER BOOKS	COMPANY FILING: JURISDICTIONAL PER BOOKS	COMPANY FILING: ADJUSTMENTS	COMPANY FILING: JURISDICTIONAL ADJUSTED	STAFF RECOMMENDATION: ADJUSTMENTS	STAFF RECOMMENDATION: JURISDICTIONAL ADJUSTED	PUBLIC COUNSEL: ADJUSTMENTS	PUBLIC COUNSEL: JURISDICTIONAL ADJUSTED	NOT USED: ADJUSTMENTS	NOT USED: JURISDICTIONAL ADJUSTED
86			TAXES OTHER THAN INCOME		20,822								
87	27		PLANT SCHERER										
88	48		PXT / STANDBY RATES					(244)		(260)			
89	87		VACANCIES					1		0			
90								(78)		0			
91			Total taxes other than income	0	20,822	0	20,822	(321)	20,501	(260)	20,562	0	20,822
92													
93													
94			INCOME TAXES CURRENTLY PAYABLE	0	13,185								
95													
96													
97		N/A	Interest expense reconciliation					534		(587)			
98		N/A	Effect of other adjustments					1,972		7,903			
99													
100			Total income taxes - current	0	13,185	0	13,185	2,506	15,691	7,316	20,501	0	13,185
101													
102													
103			DEFERRED INCOME TAXES (NET)	0	1,621								
104	12		LEISURE LAKES					2		0			
105	27		PLANT SCHERER					604		0			
106	PC		EFFECT OF OPC ADJUSTMENTS					0		(40)			
107													
108			Total deferred income taxes (net)	0	1,621	0	1,621	606	2,227	(40)	1,581	0	1,621
109													
110													
111			INVESTMENT TAX CREDIT (NET)		(2,041)								
112	27		PLANT SCHERER					96		0			
113	PC		EFFECT OF OPC ADJUSTMENTS					0		102			
114													
115			Total investment tax credit (net)	0	(2,041)	0	(2,041)	96	(1,945)	102	(1,939)	0	(2,041)
116													
117													
118			(GAIN)/LOSS ON SALE		0								
119								0					
120													
121													
122			Total (gain)/loss on sale	0	0	0	0	0	0	0	0	0	0
123													
124													
125			Total operating expenses	0	194,670	0	194,670	(4,299)	190,371	(10,591)	184,079	0	194,670
126													
127													
128			Net operating income	0	60,910	0	60,910	4,375	65,285	13,024	73,934	0	60,910
129													

COMPANY: GULF POWER COMPANY
DOCKET NO.: 891345-EI
TEST YEAR: DECEMBER 31, 1990

COMPARISON OF COST OF CAPITAL POSITIONS

PREHEARING

SCHEDULE 3

03-Jun-90
08:11:49 PM

LINE NO.	COMPONENT	COMPANY FILING AMOUNT	RATIO	COST RATE	WEIGHTED COST	STAFF RECOMMENDATION AMOUNT	RATIO	COST RATE	WEIGHTED COST
1	Long Term Debt	329,936	35.72%	8.72%	3.12%	339,260	36.73%	8.72%	3.20%
2	Short Term Debt	4,290	0.46%	8.00%	0.04%	4,318	0.47%	8.00%	0.04%
3	Preferred Stock	55,316	5.99%	7.75%	0.46%	55,855	6.05%	7.75%	0.47%
4	Customer Deposits	15,659	1.70%	7.65%	0.13%	15,765	1.71%	7.65%	0.13%
5	Common Equity	293,655	31.80%	13.00%	4.13%	282,143	30.55%	12.25%	3.74%
6	Accumulated Deferred Income Taxes	182,959	19.81%	0.00%	0.00%	184,196	19.94%	0.00%	0.00%
7	Deferred ITC - Zero Cost	831	0.09%	0.00%	0.00%	836	0.09%	0.00%	0.00%
8	Deferred ITC - Weighted Cost	40,916	4.43%	10.49%	0.46%	41,192	4.46%	10.11%	0.45%
9		------------	------------		------------	------------	------------		------------
10		923,562	100.00%		8.34%	923,565	100.00%		8.03%
11		============	============		============	============	============		============
12									
13									
14									
15									
16									
17									
18	COMPONENT	PUBLIC COUNSEL AMOUNT	RATIO	COST RATE	WEIGHTED COST	NOT USED AMOUNT	RATIO	COST RATE	WEIGHTED COST
19									
20	Long Term Debt	325,977	37.75%	8.72%	3.29%		ERR		ERR
21	Short Term Debt	4,380	0.51%	8.00%	0.04%		ERR		ERR
22	Preferred Stock	50,940	5.90%	7.75%	0.46%		ERR		ERR
23	Customer deposits	15,591	1.81%	7.65%	0.14%		ERR		ERR
24	Common Equity	266,711	30.89%	9.79%	3.02%		ERR		ERR
25	Accumulated Deferred Income Taxes	161,078	18.65%	0.00%	0.00%		ERR		ERR
26	Deferred ITC - Zero Cost	848	0.10%	0.00%	0.00%		ERR		ERR
27	Deferred ITC - Weighted Cost	37,987	4.40%	9.18%	0.40%		ERR	ERR	ERR
28		------------	------------		------------	------------	------------		------------
29		863,512	100.00%		7.34%	0	ERR		ERR
30		============	============		============	============	============		============

COMPANY: GULF POWER COMPANY
DOCKET NO.: 891345-EI
TEST YEAR: DECEMBER 31, 1990

COMPARATIVE REVENUE REQUIREMENTS

PREHEARING

SCHEDULE 4
03-Jun-90
08:11 PM

LINE NO.	DESCRIPTION [1]	COMPANY FILING [2]	STAFF RECOMMENDATION [3]	PUBLIC COUNSEL [4]	NOT USED [5]
1	Adjusted Jurisdictional Rate Base	$923,562	$869,164	$842,270	$923,562
2					
3	Required Rate of Return	8.34%	8.03%	7.92%	ERR
4					
5					
6	Required Net Operating Income	77,025	69,821	66,708	ERR
7					
8	Adjusted Achieved Test Year				
9	Jurisdictional Net Operating Income	60,910	65,285	73,934	60,910
10					
11	Jurisdictional NOI Deficiency	16,115	4,536	(7,226)	ERR
12					
13	Revenue Expansion Factor	1.631699	1.631699	1.631699	
14					
15	Revenue Increase - Test Year	26,295	7,401	(11,791)	ERR
16					
17	MISMANAGEMENT PENALTY	0	0	0	
18					
19	Total Revenue Increase	26,295	7,401	(11,791)	ERR
20					

ATTACHMENT 2

EXHIBITS

Exhibits are listed by party. Within each party's exhibit list, exhibits are grouped by witness. Both direct and rebuttal exhibits are listed for each witness.

GULF POWER COMPANY

Exhibit	Witness	Description
WITNESS:	D.L. McCrary (Direct)	
______ (DLM-1) Schedule 1	McCrary	Summary of actions taken to improve security
______ (DLM-1) Schedule 2	McCrary	RS Rate-Typical Bill History
______ (DLM-1) Schedule 3	McCrary	Residential Rate Comparison
	D.L. McCrary (Rebuttal)	
______ (DLM-2) Schedule 1	McCrary	Summary of Managements' Corrective Action
WITNESS:	A.E. Scarbrough (Direct)	
______ (AES-1) Schedule 1	Scarbrough	O&M Expenses-Comparison of 1989 to 1990 Budget
______ (AES-1) Schedule 2	Scarbrough	O&M Expenses-Comparison by - Function 1989-1990

Exhibit	Witness	Description
____ (AES-1) Schedule 3	Scarbrough	O&M Expenses-Benchmark Comparison by Function 1984-1990
____ (AES-1) Schedule 4	Scarbrough	O&M Expenses-Benchmark Comparison by Function 1983-1990
____ (AES-1) Schedule 5	Scarbrough	Transmission Line Rentals-Adjustment Order No. 14030
____ (AES-1) Schedule 6	Scarbrough	Transmission Expenses -Benchmark Comparison 1984-1990
____ (AES-1) Schedule 7	Scarbrough	A&G Expenses-Benchmark Comparison 1984-1990
____ (AES-1) Schedule 8	Scarbrough	Summary of Benchmark Variance Justification 1984-1990
____ (AES-1) Schedule 9	Scarbrough	Salary - Benchmark Comparison 1984-1990
____ (AES-1) Schedule 10	Scarbrough	O&M Expenses-Comparison of Gulf to SEE Average
____ (AES-1) Schedule 11	Scarbrough	1988 Retail Sales Per KWH Sold for Comparison Companies
____ (AES-1) Schedule 12	Scarbrough	Standard & Poor's Security Rating Report on Gulf Power Company
____ (AES-1) Schedule 13	Scarbrough	Responsibility for MFRs

Exhibit	Witness	Description
	A.E. Scarbrough (Rebuttal)	
______ (AES-2) Schedule 1	Scarbrough	Gulf Power Company Transmission Expense Analysis
	A.E. Scarbrough (Miscellaneous)	
______	Scarbrough	Gulf's Response to Item No. 51, OPC's 1st Set of Int. Docket No. 891345-EI
______	Scarbrough	Gulf's Response to Item No. 52, OPC's 1st Set of Int. Docket No. 891345-EI
______	Scarbrough	Gulf's Response to Item No. 53, OPC's 1st Set of Int. Docket No. 891345-EI
______	Scarbrough	Gulf's Response to Item No. 70, OPC's 2nd Set of Int. Docket No. 891345-EI
______	Scarbrough	Gulf's Response to Item No. 72, OPC's 2nd Set of Int. Docket No. 891345-EI
______	Scarbrough	Gulf's Response to Item No. 74, OPC's 2nd Set of Int. Docket No. 891345-EI
______	Scarbrough	Gulf's Response to Item No. 89, OPC's 2nd Set of Int. Docket No. 891345-EI
______	Scarbrough	Gulf's Response to Item No. 96, OPC's 2nd Set of Int. Docket No. 891345-EI

Exhibit	Witness	Description
________	Scarbrough	Gulf's Response to Item No. 97, OPC's 2nd Set of Int. Docket No. 891345-EI
________	Scarbrough	Gulf's Response to Item No. 180, OPC's 4th Set of Int. Docket No. 891345-EI
________	Scarbrough	Gulf's Response to Item No. 200, OPC's 4th Set of Int. Docket No. 891345-EI
________	Scarbrough	Gulf's Response to Item No. 249, OPC's 4th Set of Int. Docket No. 891345-EI
________	Scarbrough	Gulf's Response to Item No. 250, OPC's 4th Set of Int. Docket No. 891345-EI
________	Scarbrough	Gulf's Response to Item No. 256, OPC's 4th Set of Int. Docket No. 891345-EI
________	Scarbrough	Gulf's Response to Item No. 259, OPC's 4th Set of Int. Docket No. 891345-EI
________	Scarbrough	Gulf's Response to Item No. 274, OPC's 4th Set of Int. Docket No. 891345-EI
________	Scarbrough Howell Fell	Gulf's Response to Rate Case Audit Report, Docket No. 881167-EI

Exhibit	Witness	Description
WITNESS:	D.P. Gilbert (Direct)	
______ (DPG-1) Schedule 1	Gilbert	Gulf Power Planning/Budgeting Flowchart
______ (DPG-1) Schedule 2	Gilbert	1990 Capital Additions Budget
______ (DPG-1) Schedule 3	Gilbert	1990 O&M Expense Budget Less Direct Fuel and Purchased Power
______ (DPG-1) Schedule 4	Gilbert	Gulf Power O&M Budgeting Schematic
______ (DPG-1) Schedule 5	Gilbert	Example of Gulf Power Budget Deviation Report
______ (DPG-1) Schedule 6	Gilbert	Gulf Power Financial Model Flowchart
______ (DPG-1) Schedule 7	Gilbert	Responsibility for MFRs
	D.P. Gilbert (Rebuttal)	
______ (DPG-2) Schedule 8	Gilbert	Analysis of Budget and Actual Expenses for Employee Relations Planning Unit 1986-1989
______ (DPG-2) Schedule 9	Gilbert	Complement Vacancies as of May 8, 1990

Exhibit	Witness	Description
WITNESS:	M.R. Bell (Direct)	
______ (MRB-1) Schedule 1	Bell	Overview of Financial Forecasting Process
______ (MRB-1) Schedule 2	Bell	AICPA Guidelines for Prospective Financial Statements
______ (MRB-1) Schedule 3	Bell	Prior Year's Forecast to Actual Variance as a Percent of Operating Revenues
WITNESS:	R.J. McMillan (Direct)	
______ (RJM-1) Schedule 1	McMillan	Gulf Power Financial Model Flowchart
______ (RJM-1) Schedule 2	McMillan	1989 and 1990 Balance Sheets
______ (RJM-1) Schedule 3	McMillan	1989 and 1990 Income Statements
______ (RJM-1) Schedule 4	McMillan	Utility Plant Balances
______ (RJM-1) Schedule 5	McMillan	13 Month Average Rate Base for the Period Ending December 31, 1990
______ (RJM-1) Schedule 6	McMillan	Projects Included in Interest Bearing CWIP

Exhibit	Witness	Description
______ (RJM-1) Schedule 7	McMillan	13 Month Average Working Capital for the Period Ending December 31, 1990
______ (RJM-1) Schedule 8	McMillan	Net Operating Income for the Months Ending December 31, 1990
______ (RJM-1) Schedule 9	McMillan	Fuel Revenues and Expenses for the 12 Months Ending December 31, 1990
______ (RJM-1) Schedule 10	McMillan	Conservation Revenues and Expenses for the 12 Months Ending December 31, 1990
______ (RJM-1) Schedule 11	McMillan	Industry Association Dues Related to Lobbying and Chamber of Commerce for the 12 Months Ending December 31, 1990
______ (RJM-1) Schedule 12	McMillan	Institutional Advertising for the 12 Months Ending December 31, 1990
______ (RJM-1) Schedule 13	McMillan	Other Taxes Adjustment for the 12 Months Ending December 31, 1990
______ (RJM-1) Schedule 14	McMillan	Income Tax Adjustment for the 12 Months Ending December 31, 1990
______ (RJM-1) Schedule 15	McMillan	Interest Synchronization Adjustment for the 12 Months Ending December 31, 199050

Exhibit	Witness	Description
WITNESS:	E.P. Parsons, Jr. (Direct)	
______ (EBP-1) Schedule 1	Parsons	Index to Schedules
______ (EBP-1) Schedule 2	Parsons	Summary of Daniel and Scherer UPS and Territorial Commitments 1984-1990
______ (EBP-1) Schedule 3	Parsons	UPS Unit Capacity Ratings and Commercial Operation Dates
______ (EBP-1) Schedule 4	Parsons	March 1979 Generation Expansion Plan-Gulf Percent Reserves With and Without Daniel Capacity
______ (EBP-1) Schedule 5	Parsons	Price of U.S. Imported Crude Oil
______ (EBP-1) Schedule 6	Parsons	Gulf and Southern Forecasted Reserves in 1990 With and Without UPS
______ (EBP-1) Schedule 7	Parsons	Gulf and Southern Planned Reserves With and Without UPS
______ (EBP-1) Schedule 8	Parsons	1990 Coal-Fired Generating Capacity Cost
______ (EBP-1) Schedule 9	Parsons	UPS Summary
______ (EBP-1) Schedule 10	Parsons	Southern Electric System-Total UPS Allocated to Units

Exhibit	Witness	Description
______ (EBP-1) Schedule 11	Parsons	O&M Benchmark Comparison
______ (EBP-1) Schedule 12	Parsons	EPRI Total 1990 Planned Expenditure Budget
______ (EBP-1) Schedule 13	Parsons	Comparison of 1984 Actual Budget Deviation for SCS to the FPSC Adjustment in Order No. 14030
______ (EBP-1) Schedule 14	Parsons	Coal Inventory Level Policy
______ (EBP-1) Schedule 15	Parsons	Responsibility for MFRs
	E.B. Parsons, Jr. (Miscellaneous)	
______	Parsons	Late Filed Exhibit No. 1, OPC Deposition of E.B. Parsons, Jr., Docket No. 891345-EI
______	Parsons	Late Filed Exhibit No. 3, OPC Deposition of E.B. Parsons, Jr., Docket No. 891345-EI
______	Parsons	Gulf's Response to Item No. 101, Staff's 4th Set of Int., Docket No. 881167-EI
______	Parsons	Gulf's Response to Item No. 66, OPC's 2nd Set of Int., Docket No. 891345-EI

Exhibit	Witness	Description
______	Parsons	Gulf's Response to Item No. 67, OPC's 2nd Set of Int., Docket No. 891345-EI
______	Parsons	Gulf's Response to Item No. 221, OPC's 4th Set of Int., Docket No. 891345-EI
______	Parsons	Gulf's Response to Item No. 222, OPC's 4th Set of Int., Docket No. 891345-EI
______	Parsons	Gulf's Response to Item No. 223, OPC's 4th Set of Int., Docket No. 891345-EI
______	Parsons	Gulf's Response to Item No. 224, OPC's 4th Set of Int., Docket No. 891345-EI
______	Parsons	Gulf's Response to Item No. 225(a), (b), (c), (d), (e), (g), and (j), OPC's 4th Set of Int., Docket No. 891345-EI
______	Parsons	Gulf's Response to Item No. 228, OPC's 4th Set of Int., Docket No. 891345-EI
______	Parsons	Gulf's Response to Item No. 232, OPC's 4th Set of Int., Docket No. 891345-EI
______	Parsons	Gulf's Response to Item No. 269, OPC's 4th Set of Int., Docket No. 891345-EI
______	Parsons	Gulf's Response to Item No. 313, OPC's 7th Set of Int., Docket No. 891345-EI

Exhibit	Witness	Description
________	Parsons	Gulf's Response to Item No. 83, OPC's 5th Set of Int., Docket No. 891345-EI
________	Parsons	Gulf's Response to Item No. 93, OPC's 7th Set of Int., Docket No. 891345-EI
________	Parsons	Gulf's Response to Item No. 94, OPC's 7th Set of Int., Docket No. 891345-EI
________	Parsons	Gulf's Response to Item No. 7, Staff's 3rd Request for Production, Docket No. 891345-EI
WITNESS:	M.W. Howell (Direct)	
________ (MWH-1) Schedule 1	Howell	Southern System Off-System Capacity Sales
________ (MWH-1) Schedule 2	Howell	Responsibility for MFRs
	M.W. Howell (Rebuttal)	
________ (MWH-2) Schedule 1	Howell	Gulf Power Company Comparison of Load and Capacity
________ (MWH-2) Schedule 2	Howell	Gulf Power Company Comparison of Load and Capacity
________ (MWH-2) Schedule 3	Howell	Gulf Power Company Comparison of Load and Capacity

Exhibit	Witness	Description
_______ (MWH-2) Schedule 4	Howell	Gulf Power Company Comparison of Load and Capacity
_______ (MWH-2) Schedule 5	Howell	Gulf Power Company Comparison of Load and Capacity
_______ (MWH-2) Schedule 6	Howell	Gulf Power Company Comparison of Load and Capacity
_______ (MWH-2) Schedule 7	Howell	Customer Cost Comparison
_______ (MWH-2) Schedule 8	Howell	GSU Unit Power Sales Allocated to Units
_______ (MWH-2) Schedule 9	Howell	Plant Daniel and Plant Scherer Transmission
	M.W. Howell (Miscellaneous)	
_______	Howell	Gulf's Response to Item No. 61, OPC's 2nd Set of Int., Docket No. 891345-EI
_______	Howell	Gulf's Response to Item No. 75, OPC's 2nd Set of Int., Docket No. 891345-EI
_______	Howell	Gulf's Response to Item No. 92, OPC's 2nd Set of Int., Docket No. 891345-EI
_______	Howell	Gulf's Response to Item No. 93, OPC's 2nd Set of Int., Docket No. 891345-EI

Exhibit	Witness	Description
______	Howell	Gulf's Response to Item No. 106, Staff's 7th Set of Int., Docket No. 891345-EI
______	Howell	Gulf's Response to Item No. 132, OPC's 2nd Set of Int., Docket No. 891345-EI
______	Howell	Gulf's Response to Item No. 285, OPC's 5th Set of Int., Docket No. 891345-EI
______	Howell	Gulf's Response to Item No. 286, OPC's 5th Set of Int., Docket No. 891345-EI
______	Howell	Gulf's Response to Item No. 287, OPC's 5th Set of Int., Docket No. 891345-EI
______	Howell	Gulf's Response to Item No. 23, OPC's 2nd Set Request for POD's, Docket No. 891345-EI
______	Howell	Gulf's Response to Item No. 58, OPC's 2nd Set Request for POD's, Docket No. 891345-EI
______	Howell	Late Filed Exhibit No. 1, OPC's Deposition of M.W. Howell Docket No. 891345-EI
______	Howell	Late Filed Exhibit No. 2, OPC's Deposition of E.B. Parsons, Jr., Docket No. 891345-EI

Exhibit	Witness	Description
WITNESS:	C.R. Lee (Direct)	
______ (CRL-1) Schedule 1	Lee	Index
______ (CRL-1) Schedule 2	Lee	Power Generation Goals
______ (CRL-1) Schedule 3	Lee	Turbine Inspections - Schedules
______ (CRL-1) Schedule 4	Lee	Responsibility for MFRs
	C.R. Lee (Rebuttal)	
______ (CRL-2) Schedule 1	Lee	Crist Condenser and Cooling Tower Corrosion
______ (CRL-2) Schedule 2	Lee	Gulf's Response to Item No. 231, OPC's 4th Set of Int., Docket No. 891345-EI
______ (CRL-2) Schedule 3	Lee	Plant Scherer Unit 3 Production O&M Budget
	C.R. Lee (Miscellaneous)	
______	Lee	Gulf's Response to Item No. 100, Staff's 7th Set of Int., Docket No. 891345-EI

Exhibit	Witness	Description
________	Lee	Gulf's Response to Item No. 102, Staff's 7th Set of Int., Docket No. 891345-EI
________	Lee	Gulf's Response to Item No. 103, Staff's 7th Set of Int., Docket No. 891345-EI
________	Lee	Gulf's Response to Item No. 105, Staff's 7th Set of Int., Docket No. 891345-EI
________	Lee	Gulf's Response to Item No. 105, Staff's 7th Set of Int., Docket No. 891345-EI

WITNESS: C.E. Jordan (Direct)

Exhibit	Witness	Description
________ (CEJ-1) Schedule 1	Jordan	Index to Schedules
________ (CEJ-1) Schedule 2	Jordan	Transportation Cost Savings Due to New Maintenance Program
________ (CEJ-1) Schedule 3	Jordan	Transportation Reliability Improvements
________ (CEJ-1) Schedule 4	Jordan	General Repair Shop Productivity Improvements
________ (CEJ-1) Schedule 5	Jordan	Responsibility for MFRs

Exhibit	Witness	Description
	C.E. Jordan (Rebuttal)	
______ (CEJ-2) Schedule 1	Jordan	Summary of Overhead vs. Underground Expenses
______ (CEJ-2) Schedule 2	Jordan	Comparison of DSO Charges 1984-1989
	C.E. Jordan (Miscellaneous)	
______	Jordan	Gulf's Response to Item No. 211(g), OPC's 4th Set of Int., Docket No. 891345-EI
______	Jordan	Gulf's Response to Item No. 242, OPC's 4th Set of Int., Docket No. 891345-EI
______	Jordan	Gulf's Response to Item No. 243, OPC's 4th Set of Int., Docket No. 891345-EI
______	Jordan	Gulf's Response to Item No. 245, OPC's 4th Set of Int., Docket No. 891345-EI
______	Jordan	Gulf's Response to Item No. 248, OPC's 4th Set of Int., Docket No. 891345-EI
WITNESS:	E.C. Conner (Direct)	
______ (ECC-1)	Conner	Space Allocations

Exhibit	Witness	Description
	E.C. Conner (Rebuttal)	
______ (ECC-2) Schedule 1	Conner	Index
______ (ECC-2) Schedule 2	Conner	Parking Cost Comparisons
______ (ECC-2) Schedule 3, p.1	Conner	Pace Blvd. Land Held for Future Use
______ (ECC-2) Schedule 3, p.2	Conner	Gulf Power Land and Building Survey
______ (ECC-2) Schedule 4	Conner	1990 Project Reallocation
	E.C. Conner (Miscellaneous)	
______	Conner	Gulf's Response to Item No. 55, OPC's 2nd Request for POD's, Docket No. 891345-EI
______	Conner	Gulf's Response to Item No. 56, OPC's 2nd Request for POD's, Docket No. 891345-EI
______	Conner	Gulf's Response to Audit Data Request No. 8, Docket No. 891345-EI
______	Conner	Gulf's Response to Audit Data Request No. 47, Docket No. 891345-EI

Exhibit	Witness	Description
________	Conner	Gulf's Response to Audit Data Request No. 71, Docket No. 891345-EI
________	Conner	Gulf's Response to Audit Data Request No. 92, Docket No. 891345-EI
________	Conner	Gulf's Response to Audit Data Request No. 105, Docket No. 891345-EI
________	Conner	Gulf's Response to Audit Data Request No. 106, Docket No. 891345-EI
________	Conner	Gulf's Response to Audit Data Request No. 157, Docket No. 891345-EI
________	Conner	Gulf's Response to Audit Data Request No. 301, Docket No. 891345-EI
________	Conner	Gulf's Response to Audit Data Request No. 303, Docket No. 891345-EI
________	Conner	"Final Report on Corporate Office Building, Gulf Power Project PE 872 (3336), AW 408951 (E-84-14)" Dated may 23, 1989
WITNESS:	W.P. Bowers (Direct)	
________ (WPB-1) Schedule 1	Bowers	Air Products Quality Management Process-A Guideline for Utilities
________ (WPB-1) Schedule 2	Bowers	Importance of Programs and Services-Residential Customer Survey Summary

Exhibit	Witness	Description
______ (WPB-1) Schedule 3	Bowers	Impact of FPSC Decision on Benchmark Calculation
______ (WPB-1) Schedule 4	Bowers	1990 Sales Expenses by Function
______ (WPB-1) Schedule 5	Bowers	MFRs
	W.P. Bowers (Rebuttal)	
______ (WPB-2) Schedule 1	Bowers	1990 Model Energy Code Energy Cost Comparison
	W.P. Bowers (Miscellaneous)	
______	Bowers	Gulf's Response to Item No. 30, Staff's 1st Set of Int., Docket No. 891345-EI
______	Bowers	Gulf's Response to Item No. 43, Staff's 2nd Set of Int., Docket No. 891345-EI
______	Bowers	Gulf's Response to Item No. 45, Staff's 2nd Set of Int., Docket No. 891345-EI
______	Bowers	Gulf's Response to Item No. 109, pp. 1-20, Staff's 7th Set of Int., Docket No. 891345-EI
______	Bowers	Gulf's Response to Item No. 130, Staff's 8th Set of Int., Docket No. 891345-EI

Exhibit	Witness	Description
________	Bowers	Gulf's Response to Item No. 76, OPC's 2nd Set of Int., Docket No. 891345-EI
________	Bowers	Gulf's Response to Item No. 120, OPC's 2nd Set of Int., Docket No. 891345-EI
________	Bowers	Gulf's Response to Item No. 120, pp. 3-6 OPC's 2nd Set of Int., Docket No. 891345-EI
________	Bowers	Gulf's Response to Item No. 253, OPC's 4th Set of Int., Docket No. 891345-EI
________	Bowers	Gulf's Response to Item No. 31, pp. 1-10, OPC's 2nd Request for POD's, Docket No. 891345-EI
________	Bowers	Gulf's Response to Item No. 33, pp. 1-3, OPC's 2nd Request for POD's, Docket No. 891345-EI
________	Bowers	Gulf's Response to Item No. 35, p. 1, OPC's 2nd Request for POD's, Docket No. 891345-EI
________	Bowers	Gulf's Response to Item No. 36, OPC's 2nd Request for POD's, Docket No. 891345-EI
________	Bowers	Gulf's Response to Item No. 38, pp. 1-2, Public Counsel's 2nd Request for POD's, Docket No. 891345-EI
________	Bowers	Gulf's Response to Item No. 41, p. 1, OPC's 2nd Request for POD's, Docket No. 891345-EI

Exhibit	Witness	Description
________	Bowers	Gulf's Response to Item No. 43, OPC's 2nd Request for POD's, Docket No. 891345-EI
________	Bowers	Prefiled Direct Testimony of W.P. Bowers, Docket No. 890324-EI
________	Bowers	Prefiled Rebuttal Testimony of W.P. Bowers, Docket No. 890324-EI
WITNESS:	R.A. Morin (Direct)	
________ (RAM-1) Schedule 1	Morin	Resume
________ (RAM-1) Schedule 2	Morin	DCF Model Quarterly Timing Adjustment
________ (RAM-1) Schedule 3	Morin	Southern Co. Earnings and Dividends Per Share
________ (RAM-1) Schedule 4	Morin	Electric Utilities Bond Rating BETA and Common Equity Ratio
________ (RAM-1) Schedule 5	Morin	Required Market Return and Measures of Risk for High-BETA Electric Utilities
________ (RAM-1) Schedule 6	Morin	Risk Premium Analysis - Southern Co. 1979-1988
________ (RAM-1) Schedule 7	Morin	Risk Premium Analysis - Southern Co. 1984-1989

Exhibit	Witness	Description
______ (RAM-1) Schedule 8	Morin	Moody's Electric Utilities Risk Premium Analysis
	R.A. Morin (Rebuttal)	
______ (RAM-2) Schedule 1	Morin	Quarterly DCF Model
______ (RAM-2) Schedule 2	Morin	Moody's 24 Non-Nuclear Electrics: Growth Rates Historical & Projected
______ (RAM-2) Schedule 3	Morin	Dow Jones Index Companies Projected Returns, Yields, Growth Rates
______ (RAM-2) Schedule 4	Morin	High-Quality Electrics Growth Rates
WITNESS:	J.T. Kilgore (Direct)	
______ (JTK-1) Schedule 1	Kilgore	Gulf Power Co. 1990 Retail Customer Forecast
______ (JKT-1) Schedule 2	Kilgore	Gulf Power Co. 1990 Retail Energy Sales Forecast
______ (JKT-1) Schedule 3	Kilgore	Gulf Power Co. 1990 Retail Base Revenue Forecast
______ (JKT-1) Schedule 4	Kilgore	Gulf Power Co. Short-Term Retail Forecast Accuracy

Exhibit	Witness	Description
______ (JKT-1) Schedule 5	Kilgore	Rate and Other Classifications Summary
______ (JKT-1) Schedule 6	Kilgore	Responsibility for MFRs
	J.T. Kilgore (Rebuttal)	
______ (JTK-2) Schedule 7	Kilgore	1990 Retail Customer Forecast
______ (JTK-2) Schedule 8	Kilgore	1990 Retail Energy Sales Forecast
______ (JTK-2) Schedule 9	Kilgore	1990 Retail Base Revenue Forecast
______ (JTK-2) Schedule 10	Kilgore	MFR E-14
______ (JTK-2) Schedule 11	Kilgore	MFR E-18a
______ (JTK-2) Schedule 12	Kilgore	MFR E-18b
______ (JTK-2) Schedule 13	Kilgore	MFR E-18c
______ (JTK-2) Schedule 14	Kilgore	Southeastern U.S. Annual

Exhibit	Witness	Description
______ (JTK-2) Schedule 15	Kilgore	Historical Growth Rate Forecast
______ (JTK-2) Schedule 16	Kilgore	Comparison of Forecast Accuracy - 1989 Test Year Growth in Retail Base Rate Revenue
______ (JTK-2) Schedule 17	Kilgore	Short-Term Retail Forecast Accuracy
______ (JTK-2) Schedule 18	Kilgore	Graphs - Rosen/Larkin vs. Gulf Power Accuracy Comparison
	J.T. Kilgore (Miscellaneous)	
______	Kilgore	Gulf's Response to Item No. 18, Staff's 1st Set of Int., Docket No. 891345-EI
______	Kilgore	Gulf's Response to Item No. 52, Staff's 3rd Set of Int., Docket No. 891345-EI
______	Kilgore	Gulf's Response to Item No. 115, Staff's 8th Set of Int., Docket No. 891345-EI
______	Kilgore	Gulf's Response to Item No., 277, OPC's 5th Set of Int., Docket No. 891345-EI
WITNESS:	M.T. O'Sheasy (Direct)	
______ (MTO-1) Schedule 1	O'Sheasy	Present Rate Summary for 12 Months Ending December 31, 1990

Exhibit	Witness	Description
______ (MTO-1) Schedule 2	O'Sheasy	Analysis of Investment for 12 Months Ending December 31, 1990
______ (MTO-1) Schedule 3	O'Sheasy	Analysis of Revenues for 12 Months Ending December 31, 1990
______ (MTO-1) Schedule 4	O'Sheasy	Analysis of Expenses for 12 Months Ending December 31, 1990
______ (MTO-1) Schedule 5	O'Sheasy	Table of Line Allocators and Percentages for 12 Months Ending December 31, 1990
______ (MTO-1) Schedule 6	O'Sheasy	Responsibility for MFRs
______ (MTO-1) Schedule 7	O'Sheasy	Levelization Definition
______ (MTO-1) Schedule 8	O'Sheasy	Summary and Unit Cost for Revised 12 Months Ending December 31, 1990
	M.T. O'Sheasy (Miscellaneous)	
______	O'Sheasy Haskins	Gulf's Response to Item No. 6, Staff's 1st set of Int., Docket No. 891345-EI
______	O'Sheasy	Gulf's Response to Item No. 27, Industrial Intervenors' 2nd Request for POD's, Docket No. 891345-EI
______	O'Sheasy	Late Filed Exhibit No. 6, Staff's Deposition of M.T. O'Sheasy, Docket No. 891345-EI

Exhibit	Witness	Description
WITNESS:	J.L. Haskins (Direct)	
____ (JLH-1) Schedule 1	Haskins	Analysis of Proposed Revenue by Rate-12 Months Ending December 1990
____ (JLH-1) Schedule 2	Haskins	Rate of Return by Rate Class
____ (JLH-1) Schedule 3	Haskins	Proposed Tariffs
____ (JLH-1) Schedule 4	Haskins	Bill Frequency Summary for 12 Months Ending September 1989
____ (JLH-1) Schedule 5	Haskins	Average Cost of Localized Investment
____ (JLH-1) Schedule 6	Haskins	1987 and 1988 Peak Hours Distribution
____ (JLH-1) Schedule 7	Haskins	Annual Hours-Use Comparison
____ (JLH-1) Schedule 8	Haskins	Responsibility for MFRs
	J.L. Haskins (Rebuttal)	
____ (JLH-2) Schedule 1	Haskins	Analysis of Proposed Revenue by Rate - 12 Months Ending December, 1990

Exhibit	Witness	Description
________ (JLH-2) Schedule 2	Haskins	Rates of Return by Rate Class
________ (JLH-2) Schedule 3	Haskins	Average Cost of Localized Investment
________ (JLH-2) Schedule 4	Haskins	Comparison of Gulf's PXT CED Bill and PXT Minimum Bill to Mr. Pollock's Annual Minimum Bill
________ (JLH-2) Schedule 5	Haskins	Examples of GSD Minimum Bill Calculation
________ (JLH-2) Schedule 6	Haskins	Revision of Mr. Kisla's Table II
________ (JLH-2) Schedule 7	Haskins	Revised Tariff Sheet No. 6.30
________ (JLH-2) Schedule 8	Haskins	Comparison of Gulf's SS Demand Calculation to Mr. Kisla's SS Demand Calculation
	J.L. Haskins (Miscellaneous)	
________	Haskins	Gulf's Response to Item No. 4, Staff's 1st Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 13, Staff's 1st Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 27, Staff's 1st Set of Int., Docket No. 891345-EI

Exhibit	Witness	Description
______	Haskins	Gulf's Response to Item No. 32, Staff's 1st Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 35, Staff's 1st Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 36, Staff's 1st Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 37, Staff's 1st Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 38, Staff's 1st Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 40, Staff's 1st Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 47, Staff's 3rd Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 48, Staff's 3rd Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 54, Staff's 3rd Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 64, Staff's 3rd Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 65, Staff's 3rd Set of Int., Docket No. 891345-EI

Exhibit	Witness	Description
________	Haskins	Gulf's Response to Item No. 66, Staff's 3rd Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 67, Staff's 3rd Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 73, Staff's 3rd Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 110, Staff's 8th Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 111, Staff's 8th Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 112, Staff's 8th Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 113, Staff's 8th Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 120, Staff's 8th Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 121, Staff's 8th Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 124, Staff's 8th Set of Int., Docket No. 891345-EI
________	Haskins	Gulf's Response to Item No. 126, Staff's 8th Set of Int., Docket No. 891345-EI

Exhibit	Witness	Description
______	Haskins	Gulf's Response to Item No. 141, Staff's 8th Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 144, Staff's 8th Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 145, Staff's 8th Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 146, Staff's 8th Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 5, Staff's 2nd Request for POD's, Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 7, Monsanto's First Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 24, Monsanto's First Request for POD's, Docket no. 891345-EI
______	Haskins	Gulf's Response to item No. 12, Industrial Intervenors' 2nd Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 13, Industrial Intervenors' 2nd Set of Int., Docket No. 891345-EI
______	Haskins	Gulf's Response to Item No. 11, FEA's 1st Set of Int., Docket No. 891345-EI

Exhibit	Witness	Description
________	Haskins	Late Filed Exhibit No. 6, Staff's Deposition of J.L. Haskins, Docket No. 891345-EI
________	Haskins	Late Filed Exhibit No. 4, Staff's Deposition of J.L. Haskins, Docket No. 891345-EI
________	Haskins	Late Filed Exhibit No. 5, Staff's Deposition of J.L. Haskins, Docket No. 891345-EI
________	Haskins	Late Filed Exhibit No. 7, Staff's Deposition of J.L. Haskins, Docket No. 891345-EI
________	Haskins	Late Filed Exhibit No. 10, Staff's Deposition of J.L. Haskins, Docket No. 891345-EI
________	Haskins	Late Filed Exhibit No. 15, Staff's Deposition of J.L. Haskins, Docket No. 891345-EI
________	Haskins	Late Filed Exhibit No. , Staff's Deposition of J.L. Haskins, Docket No. 891345-EI
________	Haskins	Late Filed Exhibit No. 16, Staff's Deposition of J.L. Haskins, Docket No. 891345-EI
________	Haskins	Late Filed Exhibit No. 20, Staff's Deposition of J.L. Haskins, Docket No. 891345-EI
WITNESS:	R.D. Bushardt (Rebuttal)	
________ (RDB-1) Schedule 1	Bushardt	Economic Impact of Competitive Loads

Exhibit	Witness	Description
	R.D. Bushardt (Miscellaneous)	
________	Bushardt	Gulf's Response to Item No. 88, Staff's 6th Set of Int., Docket No. 891345-EI
WITNESS:	J.E. Hodges (Miscellaneous)	
________	Hodges	Gulf's Response to Item No. 88, Staff's 6th Set of Int., Docket No. 891345-EI
WITNESS:	G.A. Fell (Rebuttal)	
________ (GAF-1) Schedule 1	Fell	Warehouse Audit and Alleged $2,000,000 Shortage
________ (GAF-1) Schedule 2	Fell	Misappropriations by Kyle Croft

ADDITIONAL EXHIBITS:

________	Various Witnesses	Gulf Power Company's Response to Rate Case Audit, Docket No. 881167-EI
________	Various Witnesses	Gulf Power Company's Response to Rate Case Audit, Docket No. 891345-EI

OFFICE OF PUBLIC COUNSEL

Exhibit	Witness	Description
WITNESS:	H.W. Schultz Direct)	
______ (HWS-1)	Schultz	Adjusted Net Operating Income
______ (HWS-2)	Schultz	Summary of Expenses Adjustments
______ (HWS-3)	Schultz	Reference Level Adjustment - Employee Relations
______ (HWS-4)	Schultz	Labor Complement Adjustment and Related Payroll Taxes
______ (HWS-5)	Schultz	Calculation of Actual & Forecast Average Turbine and Boiler Inspections Expense
______ (HWS-6)	Schultz	OPC Benchmark Analysis
______ (HWS-7)	Schultz	Steam Production Adjustment
______ (HWS-7) Page 2	Schultz	Disallowance of Duplicative SCS Services
______ (HWS-7)	Schultz	Calculation to Restate Budgeted SCS Services to Page 3 Historical Actual Cost
______ (HWS-8)	Schultz	Employee Benefits
______ (HWS-9)	Schultz	Calculation of Average Obsolete Distribution Material Expense

Exhibit	Witness	Description
______ (HWS-10)	Schultz	"Perks" - Disallowance of Expense for Officer and Management
______ (HWS-11)	Schultz	Calculation of Average Fan & Duct Repair Expense
______ (HWS-12)	Schultz	Disallowance of Former ECCR Recovery Programs from Base Rates
______ (HWS-13)	Schultz	Adjustment to Remove Conservation Programs from Customer Service and Information for ECCR Review
______ (HWS-14)	Schultz	Adjustment to Remove Test Year Marketing Expenses
______ (HWS-15)	Schultz	Summary of Benchmark Adjustments
______ (HWS-15) Page 2	Schultz	Distribution System Work Order Clearance
WITNESS:	H.L. Larkin (Direct)	
______ (HL-1)	Larkin	Revenue Requirements Calculation
______ (HL-2)	Larkin	13 Month Average Rate Base as Adjusted
______ (HL-3)	Larkin	13 Month Average Plant Balance
______ (HL-4)	Larkin	Depreciation Reserve Balance by Month

Exhibit	Witness	Description
______ (HL-5)	Larkin	Provision for Depreciation
______ (HL-5) Page 2	Larkin	12-Month Average Depreciation Rate 1989
______ (HL-6)	Larkin	Adjustment to Remove Plant Held for Future Use from Rate Base
______ (HL-7)	Larkin	Adjustments to Working Capital
______ (HL-8)	Larkin	New and Revised Adjustments to Rate Base for 13 Months
______ (HL-9)	Larkin	1990 Retail Energy Sales Forecast
______ (HL-10)	Larkin	Depreciation and Amortization Expense Adjustment
______ (HL-11)	Larkin	Interest Synchronization Adjustment
______ (HL-12)	Larkin	Adjustment to Income Tax Expense for Proposed Changes to Operating Income Revenues and Expenses
WITNESS:	R.A. Rosen (Direct)	
______ (RAR-1)	Rosen	Qualifications
______ (RAR-2)	Rosen	Scherer Commitments

Exhibit	Witness	Description
(RAR-3)	Rosen	Reserve Margins
(RAR-4)	Rosen	Southern Studies Form 2.2 p.3 of 3
(RAR-5)	Rosen	Economics of Removing Scherer
(RAR-6)	Rosen	Capacity Settlement Credits Calculation
(RAR-7)	Rosen	Short Term Retail Forecast Accuracy
WITNESS:	J.A. Rothschild (Direct)	
(JAR-1)	Rothschild	Recommended Cost of Capital
(JAR-2)	Rothschild	Discounted Cash Flow
(JAR-3)	Rothschild	Non Nuclear Discounted Cash Flow
(JAR-4)	Rothschild	Moody's 24 Electric Utility Companies
(JAR-5)	Rothschild	Non Nuclear External Financing Rate
(JAR-6)	Rothschild	ROE Implied in Zack's Consensus Growth Rate
(JAR-7)	Rothschild	Moody's 24 Electric Utilities Capital Structure Comparison
(JAR-8)	Rothschild	Analysis of Effect of Leverage on Cost of Capital

Exhibit	Witness	Description
______ (JAR-9)	Rothschild	Common Stock Cost of Floatation
______ (JAR-10)	Rothschild	Dow Jones Industrials from 1920 through 1987
______ (JAR-11)	Rothschild	Cost of Equity Differential Between Users
______ (JAR-12)	Rothschild	Sales of Electricity by Customer Class (Appendix II)
WITNESS:	R.S. Wright (Direct)	
______ (RSW-1)	Wright	Cost Analysis Flowchart
______ (RSW-2)	Wright	Cost of Service Study in Response to Staff Interrogatory No. 1
______ (RSW-3)	Wright	Revenues, Net Operating Income and Class Rates of Return Alternate Cost of Service Studies at Present Rates
______ (RSW-4)	Wright	Comparative Class Shares of Base Load Plant Responsibility and Base Load Fuel, Alternative Cost Studies

FEDERAL EXECUTIVE AGENCIES

Exhibit	Witness	Description
WITNESS:	C.E. Johnson (Direct)	
(CEJ-1)	Johnson	Comparison of GPC and FEA Increases to LP/LPT and PXT Rate Classes
(CEJ-2)	Johnson	Revenue Required by Voltage Level at Present Rates
(CEJ-3)	Johnson	Comparison of FEA-Proposed LP/LPT Rate with Gulf Power Proposed Rate (3 pages)
(CEJ-4)	Johnson	LP/LPT Bill Comparison

INDUSTRIAL INTERVENORS

Exhibit	Witness	Description
WITNESS:	T. Kisla (Direct)	
______ (TK-1) Table I	Kisla	Overview of Pulp and Paper making Process
______ (TK-1) Table II	Kisla	Generator Ratings: Effect of Ambient Temperature
______ (TK-1) Table III	Kisla	Effect of Process Descriptions on Steam and Electric Use and Cogeneration
WITNESS:	J. Pollock (Direct)	
______ (JP-1) Schedule 1	Pollock	Test Year System Duration Curve and Monthly System Peak Demands
______ (JP-1) Schedule 2	Pollock	Per Unit Capital Costs v. Per Unit Operating Costs, Gulf's Refined Equivalent Peaker Method
______ (JP-1) Schedule 3	Pollock	Comparison of Outage Rates, Coal-Fired Base Load and Peaking Technologies
______ (JP-1) Schedule 4	Pollock	Classification of Production Plant, REP Method,Reflecting Different Forced Outage Rates
______ (JP-1) Schedule 5	Pollock	Monthly Peak Demands as a Percent of the Annual System Peak (Gulf Power)

Exhibit	Witness	Description
_______ (JP-1) Schedule 6	Pollock	Monthly Peak Demands as a Percent of the Annual System Peak (Southern Company)
_______ (JP-1) Schedule 7	Pollock	Monthly Reserve Margins, Percent of Peak Demand (Southern Company)
_______ (JP-1) Schedule 8	Pollock	Derivation of Near Coincident Peak Demand Allocation Factors
_______ (JP-1) Schedule 9	Pollock	Impact of Load Shift on the 12 CP Allocation Factors
_______ (JP-1) Schedule 10	Pollock	Classification of Rate Base
_______ (JP-1) Schedule 11	Pollock	Near Peak Demand Cost of Service Study
_______ (JP-1) Schedule 12	Pollock	Fuel Symmetry Adjustment, Corrected REP Method
_______ (JP-1) Schedule 13	Pollock	Corrected Refined Equivalent Peaker Cost of Service Study
_______ (JP-1) Schedule 14	Pollock	Gulf's Proposed Distribution of Increase Without Migration
_______ (JP-1) Schedule 15	Pollock	Summary of Cost of Service Results, Near Peak Method
_______ (JP-1) Schedule 16	Pollock	Industrial Intervenors' Recommended Distribution of Increase

Exhibit	Witness	Description
______ (JP-1) Schedule 17	Pollock	Comparison of Cost-of-Service results at Present and Recommended Rates: Near Peak Method
______ (JP-1) Appendix A	Pollock	Qualifications of Jeffry Pollock
______ (JP-1) Appendix B	Pollock	Cost of Service Determination Procedures
______ (JP-1) Appendix C	Pollock	Illustrations of Conceptual Flaws with Equivalent Peaker and Refined Equivalent Peaker Methods

STAFF OF THE FLORIDA PUBLIC SERVICE COMMISSION

Exhibit	Witness	Description
WITNESS:	S. Seery	
_______	Seery	Schedule 1: The Consumer Price Index - Average Annual Percentage Changes and the Five Year Moving Average
		Schedule 2: Yield on Seasoned "A" Utility Bonds - Average Percentage Changes and the Five Year Moving Average
		Schedule 3: Interest and Inflation Rates
		Schedule 4: Aa/AA Rated Electric Utilities Investment Risk Characteristics
		Schedule 5: A/A Rated Electric Utility Ratio Summary
		Schedule 6: Gulf Power Company - Quality Measurements
		Schedule 7: DCF Model Equation
		Schedule 8: Two-Stage, Annually Compounded Discounted Cash Flow Model
		Schedule 9: Two-Stage, Annually Compounded Discounted Cash Flow Analysis for the Aa/AA Rated Electric Utility Index
		Schedule 10: Risk Premium Equation

Exhibit	Witness	Description
	(Seery, con't)	Schedule 11: Estimated Monthly Risk Premiums Aa/AA Electric Utility Index
		Schedule 12: Bond Yield Differential
		Schedule 13: Standard & Poor's Financial Benchmarks
		Schedule 14: Comparison - Overall Cost of Capital
		Schedule 15: Summary of Cost of Equity Analysis
WITNESS:	R. A. Freeman	
______ (RAF-1)	Freeman	Composite: (A - F) Rate Case Audit Report, Docket No. 871167-EI
______ (RAF-2)	Freeman	Rate Case Audit Report, Docket No.891345-EI
______ (RAF-3)	Freeman	Resume of R.A. Freeman
WITNESS:	K.D. Brown	
______	Brown	Attachment I - Gulf Power Company Logged Complaints - 10 Year Comparison
		Attachment II - Type and Justification for Gulf Power Complaints Received and Closed During 1989

Exhibit	Witness	Description
	(Brown, con't)	Attachment IIB - Gulf Power Company - Complaints By Type - 1989
		Attachment III - Justification for Gulf Power Company Complaints
		Attachment IVA - Electric Industry Calendar Year Comparison of Complaint Activity
		Attachment IVB - Electric Industry Calendar Year Comparison of Complaint Activity
		Attachment V - January - March, 1990 Division of Consumer Affairs Complaint Activity, Electric Industry
WITNESS:	R.S. Bass	
______ (RSB-1)	Bass	Amounts Associated With Plea Agreement - Count 1
______ (RSB-2)	Bass	Amounts Associated With Plea Agreement - Count 2
WITNESS:	R.G. Dawson	
______ (Staff-1)	Dawson	Direct testimony of Robert G. Dawson in FERC Docket No. ER89-48-000, pp. 41-44
______ (Staff-2)	Dawson	Deposition of Robert G. Dawson, 4-14-89, Docket No. 881157-EI, pp. 17-20, 35-37, and 86-91

Exhibit	Witness	Description
Staff Cross-Examination Exhibits		
WITNESS:	D.L.McCrary	
______ (Staff-3)	McCrary	Management, 4th Ed., 1989, by Kreitner, Houghton-Mifflin Company, page 514
______ (Staff-4)	McCrary	Baker-Childers Investigative Report (12/22/83 - 1/23/84)
______ (Staff-5)	McCrary	Gulf's Response to Items No. 175 - 177, Staff's 5th Set of Int.
______ (Staff-6)	McCrary	Accounts Payable Voucher # 324566
______ (Staff-7)	McCrary	Statement of Professional Services Rendered May 21, 1987
______ (Staff-8)	McCrary	Tom Baker report to Gulf Power Board of Directors (37 pages, prepared October 12, 1988)
______ (Staff-9)	McCrary	January 9, 1989 Gulf Power Company report to the Audit Committee
______ (Staff-10)	McCrary	Special Report to the Audit Committee of the Board of Directors (February 6, 1989)
______ (Staff-11)	McCrary	Minutes of Board of Directors Meeting (October 12, 1988)
______ (Staff-12)	McCrary	Report of the Audit Committee to the Full Board
______ (Staff-13)	McCrary	Special Investigation by Audit Committee - November 14, 1988 minutes

Exhibit	Witness	Description
(Staff-14)	McCrary	Minutes of Audit Committee Meeting - November 29, 1988
(Staff-15)	McCrary	Minutes of Audit Committee Meeting - December 9, 1988
(Staff-16)	McCrary	Minutes of Audit Committee Meeting - December 29, 1988
(Staff-17)	McCrary	Minutes of Audit Committee Meeting - January 5, 1989
(Staff-18)	McCrary	Minutes of Audit Committee Meeting - January 9, 1989
(Staff-19)	McCrary	Minutes of Audit Committee Meeting - January 20, 1989
(Staff-20)	McCrary	Minutes of Audit Committee Meeting - February 6, 1989
(Staff-21)	McCrary	Minutes of Audit Committee Meeting - April 7, 1989
(Staff-22)	McCrary	Interim Statement and Resolution of the Audit Committee (1-5-89)
(Staff-23)	McCrary	Report to Audit Committee - April 7, 1989
(Staff-24)	McCrary	Information Reviews Regarding Duties, Role and Responsibility and Past Activities of Audit Committee
(Staff-25)	McCrary	Gulf's Response to Items No. 1 - 9, Staff's 1st Set of Int., Docket No. 890832-EI
(Staff-26)	McCrary	Plea Agreement (Criminal Information No. CR 89412-A, United States District Court for the Northern District of Georgia, Atlanta Division)

Exhibit	Witness	Description
______ (Staff-27)	McCrary	Gulf's Response to Items 18 - 21, Staff's 6th Request for POD's
______ (Staff-28)	McCrary	Gulf's Response to Items 14 - 17, Staff's 5th Request for POD's
WITNESS:	A.E. Scarbrough	
______ (Staff-29)	Scarbrough	Gulf's Response to Items No. 189-208, Staff's 12th Set of Int.
______ (Staff-30)	Scarbrough	Gulf's Response to Item No. 143, p. 3, OPC's 3rd Set of Int.
______ (Staff-31)	Scarbrough	Gulf's Response to Item No. 88, OPC's 2nd Set of Int.
______ (Staff-32)	Scarbrough	Gulf's Response to Items No. 148 and 149, Staff's 9th Set of Int.
______ (Staff-33)	Scarbrough	Gulf's Response to Items No. 5 and 6, Staff Data Request No. 100
______ (Staff-34)	Scarbrough	Gulf's Response to Item No. 18, OPC's 1st Request for POD's
______ (Staff-35)	Scarbrough	Actuarial Update for Pensions and Postretirement Benefits
______ (Staff-36)	Scarbrough	Gulf's Response to Public Counsel's Fourth Set of Interrogatories Nos. 182 and 183
______ (Staff-37)	Scarbrough	Gulf's Response to Items No. 290 and 299, OPC's Sixth Set of Int.

Exhibit	Witness	Description
______ (Staff-38)	Scarbough	Gulf's Response to Item No. 105, OPC's 7th Request for POD's
______ (Staff-39)	Scarbrough	Gulf's Response to Item No. 13, (revised), OPC's 1st Set of Int.
WITNESS:	D.P. Gilbert	
______ (Staff-40)	Gilbert	Gulf's Response to Item No. 86, OPC's 2nd Set of Int.
______ (Staff-41)	Gilbert	Gulf's Response to Item No. 14, OPC's 1st Set of Int.
______ (Staff-42)	Gilbert	Gulf's Response to Item No. 96, OPC's 2nd Set of Int.
WITNESS:	R.J. McMillan	
______ (Staff-43)	McMillan	FPSC Audit Report, May, 1990
______ (Staff-44)	McMillan	Gulf's Response to Item No. 88, OPC's 2nd Set of Int.
______ (Staff-45)	McMillan	Gulf's Response to Item No. 144, pp. 2-4, OPC's 3rd Set of Int.
______ (Staff-46)	McMillan	Gulf's Response to Item No. 91, OPC's 2nd Set of Int.
______ (Staff-47)	McMillan	Gulf's Response to Item No. 187, Staff's 11th Set of Int.
______ (Staff-48)	McMillan	Gulf's Response to Item No. 212 e (3), OPC's 4th Set of Int.
______ (Staff-49)	McMillan	Gulf's Response to Item No. 33, OPC's 1st Set of Int.

Exhibit	Witness	Description
_______ (Staff-50)	McMillan O'Sheasy	Gulf's Response to Item No. 53 Staff's 3rd Set of Int. - Allocation of Uncollectible Expense
_______ (Staff-51)	McMillan O'Sheasy Haskins	Haskins Deposition Exhibit No. 9, Docket No. 881167-EI, Uncollectibles by Rate Class
_______ (Staff-52)	McMillan	Gulf's Response to Item No. 188, Staff's 11th Set of Int.
WITNESS:	W.P. Bowers	
_______ (Staff-53)	Bowers	Gulf's Response to Items No. 130 and 131, Staff's 8th Set of Int.
_______ (Staff-54)	Bowers	Gulf's Response to Item No. 130, Staff's 8th Set of Int. (expense for four conservation programs removed from the ECCR clause
_______ (Staff-55)	Bowers Bushardt	Gulf's Response to Items No. 57, 58 and 69, Staff's 3rd Set of Int.
_______ (Staff-56)	Bowers Hodges	Gulf's Response to Items No. 86, 88 and 89, Staff's 6th Set of Int.
_______ (Staff-57)	Bowers Jordan Bushardt	Gulf's Response to Items No. 103, 111, 112, 114, 116, 119, 120, 127, 133, 142, OPC's 2nd Set of Int.
_______ (Staff-58)	Bowers	Gulf's Response to Items No. 42 - 45, Staff's 2nd Set of Int.
_______ (Staff-59)	Bowers	Gulf's Response to Item No. 102, OPC's 2nd Set of Int.

Exhibit	Witness	Description
______ (Staff-60)	Bowers Hodges	Various ads from Parade of Homes, Description of energy efficient building
WITNESS:	E.B. Parsons, Jr.	
______ (Staff-61)	Parsons	Gulf's Response to Items No. 82 - 84, Staff's 5th Set of Int.
______ (Staff-62)	Parsons	Gulf's Response to Item No. 264, OPC's 4th Set of Int.
______ (Staff-63)	Parsons	Deposition of E.B. Parsons, Jr., May 1, 1989, pp. 98 - 103, Docket No. 881167-EI
______ (Staff-64)	Parsons	Gulf's Response to Item No. 6 and 7, Staff's 3rd Request for POD's
______ (Staff-65)	Parsons	Late Filed Exhibits No. 4 and 5 to the April 14, 1989 Deposition of David M. Ratcliff, Docket No. 881167-EI
______ (Staff-66)	Parsons	Deposition of Charles Rickey Berry, pp. 13-20, May 15, 1989, Docket No. 881167-EI
______ (Staff-67)	Parsons	Gulf's Response to Item No. 125, OPC's 4th Set of Int., Docket No. 881167-EI
______ (Staff-68)	Parsons	Gulf's Response to Item No. 1, FEA's 1st Set of Int.
______ (Staff-69)	Parsons Howell	Gulf's Response to Items No. 152, 153, 155, 156, 158, 159, 161 - 165, 168, 173, 174, 176 - 178, 185 and 186, Staff's 10th Set of Int.

Exhibit	Witness	Description
______ (Staff-70)	Parsons Howell	Gulf's Response to Items No. 166 and 181, Staff's 10th Set of Int.
______ (Staff-71)	Parsons Howell	Gulf's Response to Item No. 9, Staff's 4th Request for POD's
______ (Staff-72)	Parsons Howell	Gulf's Response to Item No. 13, Staff's 4th Request for POD's
______ (Staff-73)	Parsons Howell	Gulf's Response to Item No. 12, Industrial Intervenors' 1st Set of Int. (revised 2-8-89), Docket No. 881167-EI
______ (Staff-74)	Parsons Howell	1990 Intercompany Interchange Contract, Exhibit J
______ (Staff-75)	Parsons Howell	Gulf's Response to Items No. 167, 169, 170, 171, 172, 180, 182 and 184, Staff's 10th Set of Int.
______ (Staff-76)	Parsons Howell Dawson	Gulf's Response to Item No. 179, Staff's 10th Set of Int.
______ (Staff-77)	Parsons Howell	Gulf's Response to Items No. 8, 10, 11 and 12, Staff's 4th Request for POD's
______ (Staff-78)	Parsons Howell	Retrospective Audit Report for Plant Scherer Units 3 & 4 by O'Brien-Kreizberg & Assoc. Inc.
______ (Staff-79)	Parsons Howell	Gulf's Response to Item No. 14, Industrial Intervenors' 1st Set of Int., Docket No. 881197-EI
______ (Staff-80)	Parsons Howell	Gulf's Response to Item No. 90, Staff's 6th Set of Int.

Exhibit	Witness	Description
______ (Staff-81)	Parsons Howell Dawson	Counterclaim filed by Southern Services, Inc. in the U.S. District Court (Eastern District of Texas, Beaumont Division) regarding litigation with Gulf States Utilities
______ (Staff-82)	Parsons	Gulf's Response to Item No. 313, OPC's 7th Set of Int.
______ (Staff-83)	Parsons Howell	Gulf's Response to Items No. 93 - 102, 105, 106 and 109, Staff's 7th Set of Int.
WITNESS:	M.W. Howell	
______ (Staff-84)	Howell	Gulf's Response to Items No. 154, 157, 160, 175, and 183, Staff's 10th Set of Int.
______ (Staff-85)	Howell	Gulf's Response to Item No. 91, Staff's 6th Set of Int.
______ (Staff-86)	Howell	Gulf's Response to Item No. 50, OPC's 2nd Request for POD's
______ (Staff-87)	Howell	Gulf's Response to Item No. 11, Staff's 1st Set of Int., Explanation for use of monthly differentiation for capacity and energy rates from Southern pool
______ (Staff-88)	Howell	Gulf's Response to Item No. 8 Staff's 1st Set of Int., Southern IIC 1990 monthly charge rates
______ (Staff-89)	Howell	Gulf's Response to Item No. 69, Staff's 3rd Set of Int., Southern System Policy Regarding Treatment of Interruptible Load under IIC

Exhibit	Witness	Description
WITNESS:	E.C. Conner	
______ (Staff-90)	Conner	Gulf's Response to Items No. 220-221, Staff's 14th Set of Int.
______ (Staff-91)	Conner	Gulf's Response to Item No. 138, OPC's 2nd Set of Int.
______ (Staff-92)	Conner Scarbrough	FPSC List of Retirement Units, p. 4, 97 - 100
WITNESS:	J.T. Kilgore	
______ (Staff-93)	Kilgore O'Sheasy Haskins Wright	Gulf's Response to Item No. 27, Industrial Intervenors' 2nd Request for POD's, and Gulf's Response to Items No. 12 and 13, Industrial Intervenors' 2nd Set of Int.
______ (Staff-94)	Kilgore O'Sheasy	Kilgore Deposition Exhibit 10 - Standby service revenues for nonmigrating PXT customer
______ (Staff-95)	Kilgore O'Sheasy	Kilgore Deposition Exhibit No. 17- Revised response to Industrial Intervenors First Request for Production of Documents No. 26
______ (Staff-96)	Kilgore	Gulf's Response to Item No. 217, Staff's 13th Set of Int.- Data for 71 Highest System Peak Hours
______ (Staff-97)	Kilgore	Gulf's Response to Item No. 18, Staff's 1st Set of Int.- MWHs and 12 CP KW for wholesale class

Exhibit	Witness	Description
________ (Staff-98)	Kilgore Wright	Kilgore Deposition Exhibit No. 12 - SEP KWH Excluded in Development of CP KW
________ (Staff-99)	Kilgore	Gulf's Response to Item No. 128, Staff's 8th Set of Int.- 1989 and 1990 SEP KWH
________ (Staff-100)	Kilgore	Gulf's Response to Item No. No. 134, Staff's 8th Set of Int.- Number of SE Period Hours Designated by Year
________ (Staff-101)	Kilgore	Gulf's Response to Item No. 137, Staff's 8th Set of Int.- 12 CP and NCP Load Factors for SE and non-SE Customers (6 PXT customers)
________ (Staff-102)	Kilgore Wright	Gulf's Response to Item No. 139, Staff's 8th Set of Int.- Metered and Billing KW; Ratios of 12 CP to Metered and Billing KW (6 PXT customers)
________ (Staff-103)	Kilgore Haskins	Gulf's Response to Item No. 10, Staff's 1st Set of Int.- Ratio of winter of summer peak demands
________ (Staff-104)	Kilgore Haskins	Gulf's Response to Item No. 114, Staff's 8th Set of Int. - CP KW for 1987 through 1989 for LP, LPT, and PXT classes
________ (Staff-105)	Kilgore Wright	Kilgore Deposition Exhibit No. 13 - Ratios of on-peak billing KW to 12 CP KW
________ (Staff-106)	Kilgore	Gulf's Response to Item No. 15, Staff's 1st Set of Int. - Monthly Load Factors for PXT customers

Exhibit	Witness	Description
________ (Staff-107)	Kilgore	Gulf's Response to Item No. 24, Staff's 1st Set of Int. - Annual Load Factors for 2 new PX/PXT customers
________ (Staff-108)	Kilgore	Kilgore Deposition Exhibit No. 6 - Maximum metered KW for SE customers
________ (Staff-109)	Kilgore	Gulf's Response to Item No. 115 Staff's 8th Set of Int. - Contract Capacity Required to be Maintained by Customer
________ (Staff-110)	Kilgore	Gulf's Response to Item No. 123, Staff's 8th Set of Int. - Annual Load Factors for LP/LPT customers with KW of 7500 or more
________ (Staff-111)	Kilgore Wright	Gulf's Response to Item No. 76, Staff's 3rd Set of Int. - Number of Days for which no portion of the on-peak hours was designated as an SE period
WITNESS:	M.T. O'Sheasy	
________ (Staff-112)	O'Sheasy Haskins	Haskins Deposition Exhibit No. 16 - Revised MFR Schedule E-16d
________ (Staff-113)	O'Sheasy Haskins	Haskins Deposition Exhibit No. 4 and 5 - OS-I/OS-II Additional Facilities Revenue
________ (Staff-114)	O'Sheasy	Gulf's Response to Item No. 209, Staff's 13th Set of Int. - 12 CP Cost of Service Study with Staff's Requested Revisions

Exhibit	Witness	Description
_______ (Staff-115)	O'Sheasy Haskins Kilgore	Gulf's Response to Item No. 210, Staff's 13th Set of Int. - MFR E Schedules for Staff's Proposed Cost of Service Study and Separate SE class
_______ (Staff-116)	O'Sheasy	Gulf's Response to Item No. 211, Staff's 13th Set of Int. - Equivalent Peaker Cost of Service Study with Staff's Requested Provision
_______ (Staff-117)	O'Sheasy	Gulf's Response to Item No. 212, Staff's 13th Set of Int. - Refined Equivalent Peaker Cost of Service Study with Staff's Requested Revisions
_______ (Staff-118)	O'Sheasy	Gulf's Response to Item No. 218, Staff's 13th Set of Int. - Revision of Company's Revised 12 CP Cost of Service Study corrected for the error in the Calculation of Standby Service KW
_______ (Staff-119)	O'Sheasy	O'Sheasy Deposition Exhibit No. 4: Revision of Cost Allocation for Standby Service Customers
_______ (Staff-120)	O'Sheasy	O'Sheasy Deposition Exhibit No. 1 - Recalculation of unit cost for a change in rate of return
_______ (Staff-121)	O'Sheasy Haskins	Gulf's Response to Item No. 41, Staff's 1st Set of Int. - Billing Determinants for Recreational Lighting

Exhibit	Witness	Description
________ (Staff-122)	O'Sheasy	O'Sheasy Deposition Exhibit No. 10 - Component costs by function for standby service
________ (Staff-123)	O'Sheasy Haskins	Haskins Deposition Exhibit No. 6 - Revision of J. Haskins Schedule 5
________ (Staff-124)	O'Sheasy Haskins Wright	Haskins Deposition Exhibit No. 12 - Data for new dedicated substations
WITNESS:	J.L. Haskins	
________ (Staff-125)	Haskins	Haskins Deposition Exhibit No. 10: Copies of new contracts with PXT customer who did not meet load factor requirement
________ (Staff-126)	Haskins	Haskins Deposition Exhibit No. 15 - Additional standby service revenue for nonmigrating PXT customer
________ (Staff-127)	Haskins	Gulf's Response to Item No. 122 Staff's 8th Set of Int. - Billing KW and Load Factor for PXT Customer
________ (Staff-128)	Haskins	Haskins Deposition Exhibit No. 20 Billing Determinants for Computing Standby Voltage Discounts
________ (Staff-129)	Haskins	Gulf's Response to Item No. 215, Staff's 13th Set of Int. - Number of Standby Service Customers Taking Supplementary Service on PXT

Exhibit	Witness	Description
______ (Staff-130)	Haskins Wright	Gulf's Response to Item No. 127, Staff's 8th Set of Int. - Dedicated Facilities for SE Customers
______ (Staff-131)	Haskins	Items No. 360 - 362, Staff's 11th Set of Int., Docket No. 881167-EI
______ (Staff-132)	Haskins Wright	Recommendation on Petition for Permanent Implementation of Rate Schedule SE, Supplemental Energy, Docket No. 850102-EI
______ (Staff-133)	Haskins	Gulf's Response to Item No. 54, Staff's 3rd Set of Int. - Hypothetical SE Rate Schedule
______ (Staff-134)	Haskins	Gulf's Response to Item No. 64 Staff's 3rd Set of Int. - Revised MFR Schedule for separate SE class
______ (Staff-135)	Haskins	Gulf's Response to Item No. 77, Staff's 3rd Set of Int. - Minimum Bill Provision KW
______ (Staff-136)	Haskins	Gulf's Response to Item No. 143, Staff's 8th Set of Int. - Total O&M plus A&G allocated to OS-I and OS-II for the maintenance of fixtures
______ (Staff-137)	Haskins	Haskins Deposition Exhibit No. 14 Additional Facilities Revenue Projection for 1990

Exhibit	Witness	Description
______ (Staff-138)	Haskins	Gulf's Response to Item No. 61, Staff's 3rd Set of Int. - Quantity of Units by Account which exist to generate proposed additional facilities revenue for OS, as revised in submission dated May 30, 1990
______ (Staff-139)	Haskins	Gulf's Response to Item No. 63, Staff's 3rd Set of Int. - Explanation of Difference in additional facilities revenue between Docket Nos. 881167-EI and 891345-EI.
______ (Staff-140)	Haskins	Revised workpapers showing calculation of proposed outdoor and street lighting maintenance and fixture charges, submitted by Wayne Jordan under cover letter dated May 14, 1990
______ (Staff-141)	Haskins	Haskins Deposition Exhibit No. 17 - Percentage increase for moving customers from OS-III to GSD
______ (Staff-142)	Haskins	Haskins Deposition Exhibit No. 18 - Revenue impact for allowing GSD customers to opt for GS
______ (Staff-143)	Haskins	Haskins Deposition Exhibit No. 19 - Revenue saved by migrating Recreational Lighting customers
______ (Staff-144)	Haskins	Gulf's Response to Item No. 124, Staff's 8th Set of Int. - Cost-effectiveness of LP/LPT Customers' Opting for PX/PXT
WITNESS:	R.H. Jackson	
______ (Staff-145)	Jackson	Gulf's Response to Item No. 103, OPC's 7th Request for POD's

Exhibit	Witness	Description
_______ (Staff-146)	Jackson	Gulf's Response to Item No. 182 and 183, OPC's 4th Set of Int.
_______ (Staff-147)	Jackson	Gulf's Response to Items No. 79 and 80, OPC's 2nd Set of Int.
WITNESS:	R.S. Wright	
_______ (Staff-148)	Wright Pollock	The Customer Charge and Problems of Double Allocation of Costs, by George Sterzinger, Public Utilities Fortnightly, July 2, 1981
WITNESS:	J. Pollock	
_______ (Staff-149)	Pollock	Industrial Intervenors' Response to Item No. 1, Staff's 1st Set of Int. to Industrial Intervenors - Revised Near Peak Cost of Service Study
_______ (Staff-150)	Pollock	Industrial Intervenors' Response to Item No. 2, Staff's 1st Set of Int. to Industrial Intervenors - Revised Corrected Refined Equivalent Peaker Cost of Service Study
_______ (Staff-151)	Pollock	Industrial Intervenors' Response to Item No. 1, Staff's 1st Request for POD's to Industrial Intervenors - Standby Service Near Peak KW

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