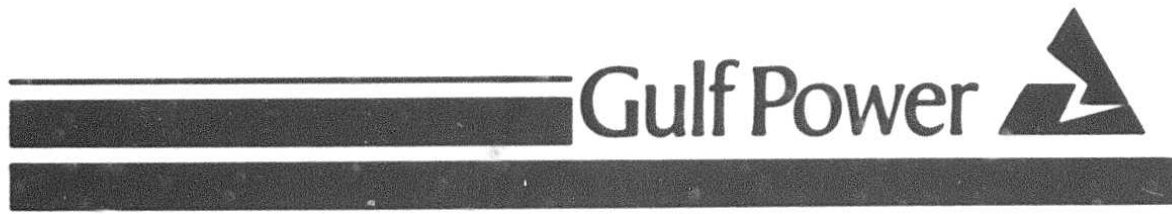


ORIGINAL
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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO 891345-EI

REBUTTAL TESTIMONY
AND EXHIBITS
OF
E. C. CONNER, JR.



DOCUMENT NUMBER-DATE

04456 MAY 21 1990

EPSC-RECORDS/REPORTING

GULF POWER COMPANY

Before the Florida Public Service Commission
Rebuttal Testimony of
Ernest C. Conner, Jr.
In Support of Rate Relief
Docket No. 891345-EI
Date of Filing: May 21, 1990

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Q. Please state your name, address and occupation.

A. My name is Ernest C. Conner, Jr., and my business address is 500 Bayfront Parkway, Pensacola, Florida 32501. I am Manager of General Services of Gulf Power Company.

Q. Have you previously testified before this Commission?

A. Yes. I submitted direct testimony in this docket.

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

A. Yes. Schedule 1 is an index to the subsequent schedules to which I will refer. Each schedule of this exhibit was prepared under my supervision and direction.

Counsel: We ask that Mr. Conner's Exhibit, (ECC-2), comprised of 4 Schedules, be marked for identification as Exhibits _____ through _____.

DOCUMENT NUMBER-DATE

04456 MAY 21 1990

FPSC-RECORDS/REPORTING

1 Q. What are your areas of responsibility within Gulf Power
2 Company?

3 A. I have responsibility for providing budgeting,
4 planning, design, construction, operations,
5 maintenance, and administrative support to all Company
6 Division buildings and the Corporate Office.

7
8 Q. What is the purpose of your rebuttal testimony in this
9 proceeding?

10 A. The purpose of my testimony is to rebut the direct
11 testimony of Mr. Larkin and Mr. Schultz and to provide
12 additional information relating to the Corporate
13 Headquarters project, the Graceville and Bonifay
14 buildings, and land held for future use at Bayfront
15 Parkway, Pace Boulevard, and Panama City.

16
17 Q. Is Mr. Larkin's testimony on the Bonifay and
18 Graceville offices valid in asserting that Mr. Conner
19 can not offer any personal insight into this
20 construction because of the fact that he was not an
21 employee of the Company at the time these buildings
22 were constructed?

23 A. No, Mr. Larkin's assertion is not valid. It fails to
24 recognize that I have been an employee of the Company
25 since shortly after these buildings were occupied

1 eight years ago. Additionally, Mr. Larkin does not
2 acknowledge the fact that I have held various
3 positions of increasing responsibility in my eight
4 years of employment all of which provided technical
5 construction, operations, and maintenance support to
6 all customer facilities including Bonifay and
7 Graceville. Finally, Mr. Larkin's assertion fails to
8 recognize my 21 years of work and educational
9 experience in the areas of architecture and building
10 construction. Included in this experience are four
11 years of undergraduate work in Architecture and
12 Building Construction at Auburn University, nine years
13 of practical work experience in private sector General
14 Contracting and Construction Management prior to
15 employment with Gulf Power, and during eight years of
16 employment with the Company, three years of serving as
17 an adjunct instructor for the Construction
18 Administration class in the Building Construction
19 program at the University of West Florida in
20 Pensacola, Florida. Also while working at Gulf, my
21 experience has included completing a Master's Degree
22 in Management and as a requirement for this degree,
23 authoring an extensive research paper on the benefits
24 to the Owner in administering various approaches to
25 project design and construction management. This

1 diversified blend of educational and work experience
2 qualify me to present testimony on the Bonifay
3 and Graceville offices both from the perspective
4 of the Company and from the industry as a
5 whole.

6
7 Q. Is Mr. Larkin's testimony on the Bonifay and
8 Graceville offices valid in asserting that Mr.
9 Conner's testimony "... does not offer any additional
10 information which the Commission did not have
11 available to it when it originally made this
12 disallowance ..."?

13 A. No, Mr. Larkin's assertion is not valid. My testimony
14 highlights several areas of additional information
15 which the Commission did not have available to it when
16 it made the adjustment in the 1984 rate case. In
17 the 1984 rate case, Gulf Power did not prefile direct,
18 or rebuttal testimony on the cost of the Bonifay and
19 Graceville offices. It was during the rate case
20 hearings that questions were raised relating to the
21 "per square foot cost" of these office buildings.
22 During cross examination, the Company was also asked
23 to supply the Commission with industry average "per
24 square foot cost" figures to compare with the
25 Company's actual figures on the Bonifay and Graceville

1 offices. The Company answered the Commission with
2 construction cost data from the Means Survey showing
3 the average cost for office buildings sized from
4 20,000 square feet to 100,000 square feet to be \$67.00
5 per square foot. In its testimony before the
6 Commission, the Company clarified this data by
7 indicating that the Survey results did not include
8 commercial office buildings of less than 20,000
9 square feet. In this rate case, the Company is
10 asserting that, in making its final decision, the
11 Commission drew the wrong conclusion from the Means
12 Survey construction cost data. The final order in the
13 1984 rate case stated that "... we shall disallow all
14 construction costs in excess of \$67.00 per square
15 foot, which is a cost supported by the Means Survey
16 provided by the Company". Cost information which
17 projects average costs for office buildings with the
18 economies of scale of up to 100,000 square feet is not
19 appropriate for projecting a reasonable cost for a
20 small 1,582 square foot building. Use of the Means
21 Survey data provided in this manner is not appropriate
22 and resulted in an unjustified reduction of allowable
23 plant in service.

24 The proper test for reasonableness of cost is an
25 analysis of the bid methodology and results which

1 ultimately formed the basis for the costs of the
2 project. Information on the prospective letting of
3 bids for these buildings appeared in construction
4 industry trade publications, assuring notification of
5 all interested contractors. Gulf Power obtained
6 sealed competitive bids from six qualified general
7 contractors on a combined bid package for the Bonifay,
8 Graceville, and Chipley facilities. This number of
9 bidders represents a sufficient number to ensure that
10 good competition was achieved in obtaining bids on the
11 project.

12 The successful contractor's bid was approximately
13 6 percent below that of the next lowest bidder
14 indicating an opportunity for Gulf Power to receive
15 the full advantage of the low contractor's uniquely
16 competitive bid. Additionally, the range of bids from
17 low to high bidder indicated that the low contractor's
18 bid apparently did not represent an error on the
19 bidder's part. Such an error could result in a
20 potential contract default due to financial problems
21 on the part of the low bidder. All things considered,
22 my analysis of the bids received leads me to the
23 conclusion that construction of these buildings
24 resulted from a well managed bid process. This
25 process generated a highly competitive bidding

1 environment thereby ensuring Gulf Power the best price
2 for the three buildings in the bid package.

3 The design of the buildings represents a
4 reasonable level of quality construction to reflect
5 the Company's commitment to long term customer
6 service. Recognizing that unlike some unregulated
7 industries which may build for the short term in
8 anticipation of selling their facilities, Gulf Power
9 is obligated and prepared to support its customers
10 with reliable service for many years to come from
11 facilities which will continue to support effective
12 customer service. The Bonifay and Graceville
13 buildings, albeit small in size, are large in terms of
14 our continued commitment to these communities and our
15 customers.

16
17 Q. Did the packaging of the bids for Bonifay, Graceville,
18 and Chipley as one bid have the effect of increasing
19 the price of the buildings by restricting the number
20 of contractors available to bid?

21 A. No. The packaging of the bids for small buildings
22 together in lieu of requiring that they be bid
23 separately has the effect of attracting qualified
24 contractors to the possibility of a more appealing
25 project. The opportunity to spread overhead costs

1 such as supervision, office trailers, and other minor
2 job site costs actually serves to reduce the overall
3 cost to the Owner. The Commission's decision in the
4 1984 rate case final order that the packaging of the
5 bids served to restrict the number of bidders did not
6 recognize the tangible advantages that Gulf Power
7 achieved by increasing the economies of scale of such
8 small buildings through packaging them together.
9 Furthermore, even with the combined bid approach, the
10 total bid amounts were not high enough to cause any
11 contractors to withdraw from the bidding because they
12 had exceeded their financial support capabilities.
13 Altogether, a fine balance of competitive bidding was
14 achieved allowing Gulf Power a reasonable cost for
15 facilities designed to meet the Company's specific
16 requirements.

17
18 Q. Should the total cost of the Bonifay and Graceville
19 offices be allowed in rate base?

20 A. Yes. As covered in my direct testimony, the total
21 cost of the Bonifay and Graceville offices should be
22 allowed in the rate base. The cost per square foot
23 adjustment made in the 1984 rate case decision did not
24 represent a valid method for determining a reasonable
25 cost for these small buildings. Both of these

1 buildings were competitively bid. The resulting
2 contract costs for construction represent the true
3 market value for construction of the building in the
4 given market and economic conditions, given the
5 reduced economies of scale for such small commercial
6 construction, geographic location, and functional
7 needs of the facility as reflected in the building
8 design. The 1984 adjustment did not recognize these
9 relevant facts.

10

11 Q. Should the property held for future use for parking
12 expansion at the Bayfront office building be included
13 in the rate base?

14 A. Yes. The land should be included in the rate base.
15 The long range parking plans for the Corporate Office
16 building require 23.9 acres of land to support the
17 project through the year 2010. The land Gulf
18 currently owns is approximately 20.5 acres of land.
19 Of this land, approximately 17.4 acres is classified
20 as plant in service supporting the present needs of
21 the building. Approximately 3.1 acres is being held
22 for use as future parking in the Plant Held for Future
23 Use account.

24 Because of the anticipated future growth and
25 development at this building and site, the only

1 prudent decision for the Company to make was to
2 proceed expeditiously in acquiring the property
3 needed to support the building while property costs
4 are reasonable and before land availability diminishes
5 due to other development in the area. The Company
6 prudently recognized that the presence of our quality
7 structure in this previously undeveloped area of the
8 city would and has enhanced the value of neighboring
9 property. This enhanced value tends to drive up the
10 price for subsequent purchases of property needed by
11 the Company. While the approved site specific zoning
12 plan only requires Gulf to build parking to support
13 the needs of the building at the given time, the total
14 land need is based upon the ultimate requirement for a
15 minimum of 1,200 parking spaces to support the present
16 building. Provisions were also made in the planning
17 process for the addition of another building on site
18 sometime after year 2010. The future building will
19 further impact parking requirements and may create the
20 need to expand land acquisition efforts beyond the
21 23.9 acres required for eventual support of the
22 present building. The timing of the need for the
23 future building will be affected by employee growth
24 over the years.

25 The intent of the overall master plan is to allow

1 the Hawkshaw site to serve as the permanent home for
2 Gulf Power Company's Corporate Office. Securing
3 property to meet this need when and while it is
4 available at reasonable prices is in the best interest
5 of our customers. By prudently planning for our
6 future needs, we are assuring the most efficient use
7 of these facilities at the lowest cost to the
8 ratepayers.

9

10 Q. What are the land development requirements for the
11 Gateway District in which the new building is
12 located?

13 A. The Gateway District of Pensacola is a special zoning
14 district requiring adherence to site planning
15 guidelines, fiscal impact guidelines, screening of
16 off street parking, street set backs for development,
17 vehicle access restrictions to area thoroughfares,
18 underground utilities, and landscaping requirements.
19 The area is bordered generally on the north by
20 Heinberg Street, on the west by Ninth Avenue, and on
21 the south and east by Bayfront Parkway. All
22 developments within the boundaries of the district
23 are subject to the restrictions through a site
24 specific zoning process.

25

1 Q. Did Gulf consider the construction of parking decks in
2 lieu of surface parking in order to reduce the land
3 requirements of the project?

4 A. Yes. Parking decks were considered, but they did not
5 prove to be a desirable alternative. The cost
6 comparison included in Schedule 2 of ECC-2 shows the
7 cost for a parking deck to be approximately twice the
8 cost of surface parking. Gulf prudently pursued the
9 option of surface parking.

10
11 Q. Has the Commission staff reviewed Gulf's need for and
12 use of the Corporate Office building and associated
13 land?

14 A. Yes. The Commission staff thoroughly reviewed these
15 aspects of the building and land. Their report
16 entitled "Final Report on Corporate Office Building,
17 Gulf Power Project PE 872 (3336), AW 408951 (E-84-14)
18 is dated May 23, 1989. In virtually all respects,
19 this report is supportive of my testimony.

20
21 Q. Should the property held for future use at the Pace
22 Boulevard site be included in the rate base?

23 A. Yes. The property held for future use at the Pace
24 Boulevard complex is an integral component of an
25 evolving 60 year master plan which is currently

1 projected through year 2008. The site supports the
2 Western Division Headquarters facility growth needs
3 and the general and industrial facility growth needs
4 of various Company support functions. These needs are
5 summarized in Schedule 3. This property should be
6 included in the rate base.

7

8 Q. Can you elaborate on the evolution of this site in
9 serving the needs of the Company?

10 A. Yes. The Pace Boulevard complex has been the
11 permanent home for many Company functions for over 40
12 years beginning with the initial purchase of property
13 in 1949 to build a general warehouse, line service
14 building, repair shop, garage, and a combination
15 Western Division Headquarters and General Office
16 building. My direct testimony described the details
17 of the evolution of this site from its initial stages.
18 For nearly 30 years from the initial purchase, the
19 site was adequate to meet initial Company needs. As
20 customer growth continued and productivity
21 improvements were developed through implementing the
22 use of equipment such as bucket trucks, congestion on
23 the site became a real problem. In the mid-70's, the
24 line service function was relocated off site to the
25 Pine Forest facility near Interstate Highway I-10.

1 This relocation extended the life of the Pace
2 Boulevard site for the remaining functions.

3 By the 1980's, continued growth of the functions
4 remaining at the site lead once again to overcrowding
5 and congestion on the site. The study titled
6 "Corporate and Western Division Survey" which was
7 completed in 1982 lead to the Company's decision to
8 provide relief by relocating the Corporate Office
9 function to its present Bayfront Parkway location.
10 This relocation was completed in 1987.

11
12 Q. Which functions are presently located on the site?

13 A. The Pace Boulevard complex presently serves as the
14 home of the Western Division Headquarters and many
15 company-wide general and industrial support functions.
16 The industrial functions include the Bayou Chico
17 Substation, the General Repair Shop, the Automotive
18 Rebuild Center, the General Warehouse, the System
19 Protection Shop, and the Investment Recovery Center.
20 In addition, some general functions have historically
21 been located at this site and remain there today.
22 These functions include the Employment Center, the
23 Training Facility, and the Credit Union.

24
25 Q. Is Mr. Larkin correct in his assertion that the land

1 held for future use at the Pace Boulevard complex site
2 is not needed because Building Maintenance is housed
3 on the third floor of the Corporate Office Building?

4 A. No. Mr. Larkin is not correct in stating that the
5 land held for future use at Pace Boulevard is not
6 needed. Furthermore, his cursory contention that the
7 third floor of the Corporate Office Building negates
8 the need for land at Pace Boulevard is without merit
9 in that it fails to recognize the growth needs of the
10 60 year master plan for the multiple functions located
11 on and planned for the site.

12
13 Q. Why is Building Maintenance located on the third floor
14 of the Corporate Office Building?

15 A. Building Maintenance is located on the third floor
16 because that location temporarily represents the most
17 cost effective alternative for providing this
18 necessary function of Company operations. In
19 designing the Corporate Office Building to meet the
20 needs of the Company, office growth space was provided
21 in three phases. Short range growth was provided
22 through provision of space for future work stations
23 within departments. Intermediate growth space was
24 provided in the form of the third floor avoiding the
25 costs of beginning a new major construction program to

1 accommodate intermediate growth. Finally, to ensure
2 the longevity of the Corporate Office site as the
3 permanent home for this Company function, provisions
4 have been made in the site planning to accommodate
5 another building for growth beyond the year 2010.
6 This comprehensive approach produced a long range plan
7 which solved the Company's needs in a logical and
8 orderly manner.

9
10 Q. Would the Building Maintenance function be facilitated
11 in the near future by relocating it from the Corporate
12 Office to the Pace Boulevard site?

13 A. No. The Building Maintenance function operates
14 reasonably well from the third floor of the Corporate
15 Office Building. A ground level facility would have
16 easier access for loading and unloading by not having
17 to use a service elevator. However, this advantage
18 would be offset by the fact that some of the services
19 from a Building Maintenance Facility would be provided
20 to the Corporate Office Building itself resulting in
21 using the same service elevator to transport items
22 back into the building. Altogether, the plan to
23 presently utilize the office space growth area
24 provided by the third floor as a maintenance shop and
25 for storage provides an excellent plan compatible with

1 the overall needs of the various functions affected by
2 the third floor.

3

4 Q. Should the property held for future use for a general
5 repair facility be included in the rate base?

6 A. Yes. This property which was reported in the filing
7 as Plant Held for Future Use and is part of the Pace
8 Boulevard complex is now plant in service. After this
9 property was purchased and booked, the General Repair
10 Facility, originally planned for this site, was
11 relocated to another property at the Pace Boulevard
12 site. Accounting does not change the name on the
13 property once it has been booked. The property held
14 for future use at the Pace Boulevard site originally
15 for the General Repair Facility is now used to support
16 the Electric Operations Center Project.

17

18 Q. Are you familiar with the "Navy House"?

19 A. Yes. The structure referred to as the Navy House is a
20 former residence which became the property of the
21 Company when it purchased land needed to install a
22 transmission line from the Company's Bayou Chico
23 Substation to serve the Pensacola Naval Air Station.
24 The transmission line property on which the Navy House
25 is located is at 615 South Navy Boulevard in Pensacola

1 adjacent to the bridge leading to the Main Gate of the
2 Pensacola Naval Air Station. The installation and
3 maintenance requirements of the transmission line
4 equipment made the purchase of only a portion of the
5 property impractical. Consequently, the Company
6 purchased the land which included the structure which
7 has come to be called the Navy House.

8

9 Q. How is the Navy House being used by the Company?

10 A. The Navy House is used today for Company business
11 meetings and training. During construction of the
12 transmission line, the Company leased the house to the
13 transmission line contractor for their use as a
14 temporary construction office.

15

16 Q. Were the costs to renovate the structure reasonable?

17 A. Yes, although the total cost may appear high on the
18 surface without a full understanding of the
19 difficulties encountered during the renovation
20 project. The final costs for renovation of the
21 structure itself were only approximately \$39 per
22 square foot. When compared to the costs for
23 construction of a facility for training, these costs
24 would compare quite favorably. However, in addition
25 to these renovation costs, the Company found itself

1 obligated to conform to regulatory requirements
2 related to the sewer connection for the building.
3 After renovation of the structure had been essentially
4 completed, the Company found that the Escambia County
5 Utilities Authority (ECUA) would not allow continued
6 use of the septic tank system on the property. Gulf
7 Power had anticipated that the septic tank system, or
8 a septic tank combined with on site self contained
9 sewage processing equipment would be approved by the
10 ECUA officials. The septic tank and equipment were
11 not approved and the Company found itself with a newly
12 renovated building which could not be used.

13 Gulf Power Company decided to extend a small
14 sewer line from the house to the closest accessible
15 sewer tap location. The cost for this sewer line when
16 added to the renovation costs make the overall project
17 appear to be costly. The Company felt that we had no
18 logical option at the time but to comply with the
19 regulatory decisions made relative to the sewer.

20
21 Q. Has the Company determined the incremental costs
22 included in the 1990 test year for the Navy House?
23 A. Yes. The majority of the work associated with
24 refurbishing the Navy House for Company use was
25 expensed in years prior to 1990. The impact on the

1 1990 test year is therefore minimal. O & M costs for
2 the Navy House are approximately \$600 per month. The
3 investment costs which were booked to plant for
4 refurbishing the structure were approximately \$5,300.

5
6 Q. If the Company had not renovated the Navy House for
7 meetings and training, where would these activities
8 have taken place?

9 A. If the Navy House were not available, the Company
10 would have continued to operate without the space
11 recommended in its training study. The meetings and
12 training would have taken place at Company facilities
13 and at rented facilities depending upon the nature of
14 the activity.

15
16 Q. Why was \$252,000 budgeted in 1990 O & M for the Panama
17 City Office renovation?

18 A. The project was budgeted as expense to be consistent
19 with past practice on project work. FERC Electric
20 Plant Instructions 10A state: "For the purpose of
21 avoiding undue refinement in accounting for additions
22 to and retirements and replacements of electric plant,
23 all property shall be considered as consisting of (1)
24 retirement units and (2) minor items of property.
25 Each utility shall use such list of retirement units

1 as is in use by it at the effective date hereof or as
2 may be prescribed by the Commission, with the option,
3 however, of using smaller units, provided the
4 utility's practice in this respect consistent."

5 In being consistent with other prior renovation
6 projects, the \$252,000 was determined to be expense
7 work on the following basis. When changes are made to
8 a component that is existing and is not classified as
9 a retirement unit as per the approved Gulf Power
10 Retirement Unit Manual, then that work is considered
11 minor items of property and in the case of the Panama
12 City project, was budgeted in O & M. All new
13 additions or replacements of retirement units are
14 accounted through the electric plant budget.

15
16 Q. Will the Panama City Renovation Project be completed
17 in 1990?

18 A. No, the renovation project was deferred to 1991 during
19 the February 1, 1990 capital budget process. The
20 capital dollars were reallocated to 1991 reflecting
21 this change. The O & M dollars associated with the
22 project in the 1990 budget were reallocated as shown
23 in Schedule 4 of ECC-2 to various expense projects
24 that were unanticipated during the 1990 O & M
25 budgeting process.

1 Q. Will the funds for the Panama City Renovation be
2 rebudgeted in the 1991 O & M budget?

3 A. Yes.

4

5 Q. Can you summarize your testimony?

6 A. Yes. Gulf Power Company's management philosophy is to
7 provide adequate facilities to meet the needs of our
8 customers and to provide a productive work environment
9 for our employees. The Company utilizes long range
10 planning to prudently acquire the necessary property
11 to support needed facilities. Such property additions
12 help to ensure that our facilities provide long term
13 solutions to needs. Concern for our customers is also
14 exhibited through wisely implementing our facility
15 investments in a method which enhances the communities
16 that we serve. Great pride is taken in the tremendous
17 large scale contribution made in helping to revitalize
18 downtown Pensacola through our Corporate Office
19 building. On a much smaller scale, but no less
20 important, the local offices in Bonifay and Graceville
21 also serve to enhance those communities. Long range
22 planning together with a facility design which
23 enhances the community at reasonable costs all combine
24 for an effective facilities planning and development
25 program.

1 Q. Does this conclude your testimony?

2 A. Yes.

3

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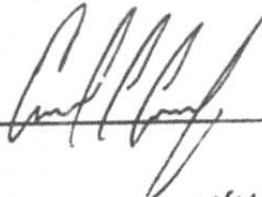
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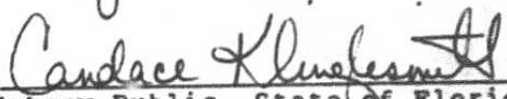
STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 891345-EI

Before me the undersigned authority, personally appeared
E. C. Conner, who being first duly sworn,
deposes and says that he/she is the Manager of General
Services of Gulf Power Company and that the
foregoing is true and correct to the best of his/her knowledge,
information and belief.



Sworn to and subscribed before me this 11th day of
May, 1990.



Notary Public, State of Florida at Large

My Commission Expires: MY COMMISSION EXPIRES MAY 18, 1991

Florida Public Service Commission
Docket No. 891345-EI
GULF POWER COMPANY
Witness: Conner
Exhibit No. _____ (ECC-2)
Schedule 1

INDEX

<u>Schedule No.</u>	<u>Title</u>
2	PARKING COST COMPARISONS
3 - Pg. 1	PACE BOULEVARD LAND HELD FOR FUTURE USE
3 - Pg. 2	GULF POWER LAND AND BUILDING SURVEY
4	1990 PROJECT REALLOCATION

Florida Public Service Commission
Docket No. 891345-EI
GULF POWER COMPANY
Witness: Conner
Exhibit No. _____ (ECC-2)
Schedule 2

PARKING COST COMPARISONS

An alternative to the ground level parking lots is a garage structure. The advantages of garage structure parking are more efficient use of site acreage, covered parking for some portion of the cars and the ability to locate more cars in closer proximity to the facility. The disadvantages of a garage structure is the cost.

The following comparison identifies the cost difference between ground level parking and a garage structure.

GARAGE STRUCTURE PARKING

Assume a 3 level structure on a site approximately 190' x 260' (49,400 SF). Assume capacity of 360 cars.

Land	\$9 x 49,400 SF	=	444,600
Structure	\$22 x 118,560 SF	=	2,608,320
Stormwater Retention allow		=	10,000
Landscaping allow		=	25,000
	TOTAL	=	\$3,087,920

At 360 cars = \$8,577 per car

GROUND LEVEL PARKING LOT

Site area 190' x 260' (49,400 SF, 5,488 SY)
Assume a capacity of 135 cars.

Land	\$9 x 49,400 SF	=	444,600
Paving, Grading & Curbs	\$12.50 x 5,488 SY	=	68,600
Stormwater Retention allow		=	10,000
Landscaping	\$.50 x 49,400 SF	=	24,700
Site Lighting	12 x \$900 Each	=	10,800
	TOTAL	=	\$ 558,700

At 135 cars = \$4,129 per car

The obvious difference in cost per car will continue to support ground level parking until land costs increase dramatically. Gulf's acquisition plan is avoiding the problem of increasing land costs by providing adequate property for parking at reasonable land costs.

Florida Public Service Commission
Docket No. 891345-EI
GULF POWER COMPANY
Witness: Conner
Exhibit No. _____ (ECC-2)
Schedule 3
Page 1

PACE BOULEVARD LAND ANALYSIS

Summary of land available compared to future needs:

2008 PLAN

Land owned by GPC in January, 1988	28.80 Acres
Land needed by GPC	46.45 Acres
Excess or (Deficit)	(17.65 Acres)*

* All of this 17.65 acres will be fully utilized. Therefore,
a cushion of unutilized land should be added to this.

GULF POWER LAND SURVEY
 Area Summary

FUNCTION	----- (In Square Feet) -----	
	1/1/1988 EXISTING	2008 SPACE NEEDS
GENERAL WAREHOUSE CENTER		
1. Gen Warehouse Bldg	151,744	219,950
2. Investment Recovery	61,313	59,363
3. Open Storage	97,822	139,126
4. Appl Sales, Inv. & Svc.	47,875	69,784
5. Survey Crew	900	900
6. Substation	1,000	1,500
GENERAL REPAIR CENTER		
7. General Repair Bldg	65,580	104,993
8. Paint Shop	7,250	9,460
9. PCB Storage	5,700	2,000
ELECTRIC OPERATIONS CTR		
10. Telecommunications	9,685	26,972
11. Relay Shop	6,750	27,117
12. Central Meter Shop	0	10,490
13. Central Testing Lab	0	24,440
14. AUTO REBUILD	28,925	94,019
15. BUILDING MAINTENANCE	0	44,975
16. WESTERN DIVISION	239,699	334,759
17. TRAINING	27,300	483,517
18. EMPLOYMENT CENTER	13,100	13,370
19. CREDIT UNION	21,600	21,600
20. BAYOU CHICO SUBST.	201,220	201,220
21. MISC FUNCTIONS	266,859	133,800
TOTALS	1,254,322	2,023,355
IN ACRES	28.80	46.45

Florida Public Service Commission
Docket No. 891345-EI
GULF POWER COMPANY
Witness: Conner
Exhibit No. _____ (ECC-2)
Schedule 4

1990 PROJECT REALLOCATION

Panama City Expense Work	\$ 45,000
Reroofing Western Division Headquarters	130,000
Reroofing Chase Street (West and Middle Section)	35,000
Drive-Thru Reroofing	7,000
Ft. Walton Interior Painting	20,000
Milton Interior Painting	<u>15,000</u>
	\$252,000