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May 17, 1999

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 990325-EI

Dear Ms. Bayo:

Enclosed for official filing in Docket No. 990325-EI are the following revised pages to the Need Study document attached to the petition in this docket dated March 15, 1999; the prefiled Direct Testimony of Robert G. Moore dated April 5, 1999; and the prefiled Direct Testimony of William F. Pope dated April 5, 1999:

	Document	**Revised Page**
a.	Need Study	Page 74
b.	Testimony of R. G. Moore	Page 6
c.	Testimony of W. F. Pope	Page 12

An original and fifteen copies of this letter and the revised pages have been enclosed for official filing. An extra copy of this letter has also been enclosed. Please acknowledge receipt of this filing by marking the extra copy of this letter with the date and time received by your office and returning same to me at your earliest convenience. If there are any questions concerning this filing, please contact me.

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Very truly yours,

Jeffrey A. Stone
For the Firm

JAS/js
Enclosures

DOCUMENT NUMBER-DATE
[redacted] MAY 17 99
FPSC-RECORDS/REPORTING

cc: Grace Jaye, Esquire
FPSC, Division of Legal Services

Gail Kamaras, Esquire
LEAF

R. A. Badders, Esquire
R. D. Melson, Esquire
W. F. Pope
S. D. Ritenour

Smith Unit 3 will be located approximately 1,000 feet north of the existing Smith Plant substation. The unit's output will reach the Company's transmission grid by means of less than 1,000 feet of 230 KV bus. The existing transmission system out of Smith Plant is sufficient to handle the unit's output under normal peak operating conditions.

Smith Unit 3 will have an average annual output of 521 megawatts at an efficiency of 6,741 Btu/KWH. The unit will have the capability for power augmentation by steam injection to generate up to 540 megawatts of peaking generation at a reduced efficiency of 7,139 Btu/KWH. The costs for the necessary equipment associated with the power augmentation operation are included in the estimate below.

The following is a listing of some of the specific unit characteristics:

Forced outage rate	3.4%
Scheduled maintenance outage	2 weeks/year (Ave.)
Equivalent availability	92%
Expected average capacity factor	62%
Fuel consumption (full load)	3,900 MMBtu/hour
Annual fixed O & M (98$)	$2.84/KW-yr.
Variable O & M (98$)	$1.89/mWh

9.2 PROJECTED UNIT CONSTRUCTION COSTS

The following is a breakdown of estimated installed costs for Smith Unit 3, excluding any costs associated with the

transmission system out of Smith Plant is sufficient to handle the unit's output under normal peak operating conditions.

Smith Unit 3 will have an average annual output of 521 megawatts at an efficiency of 6,741 Btu/KWH. The unit will have the capability for power augmentation by steam injection to generate up to 540 megawatts of peaking generation at a reduced efficiency of 7,139 Btu/KWH. Schedule 1 contains the operating characteristics of Smith Unit 3.

Q. What is the projected installed cost of Smith Unit 3?

A. The estimated installed costs for Smith Unit 3, excluding AFUDC and any costs associated with the construction of the natural gas pipeline is $187,252,000. This estimate is based on a combination of actual vendor quotes and refined engineering cost analyses and includes the costs necessary to comply with all applicable environmental regulations. With respect to most of the components that comprise the project cost, this estimate can be considered relatively firm (±10%). Schedule 2 contains a breakdown of the cost estimate.

Q. Would you briefly explain the environmental considerations?

reaching the final results of this evaluation. The combined cycle cost figures that were used in this process were considered preliminary engineering cost figures.

Q. What were the results of the self-build analysis?

A. Considering all of the cost factors, including construction costs, fuel supply costs, transmission impacts, and system energy costs and savings, the self-build analysis revealed that a 500 MW class CC unit at the Company's existing Smith Plant was the best self-build alternative. Schedule 1 shows the results of the self-build analysis. These results are based on a common megawatt block size to keep all alternatives on equal footing during the analysis.

Q. Are there any transmission line additions required in connection with Smith Unit 3?

A. No. The output of Smith Unit 3 can be integrated into the Northwest Florida grid with no additional transmission lines. However, some upgrades to existing lines are needed and have been included in the cost-effectiveness evaluation of Smith Unit 3.

Q. How does the addition of a 500 MW class combined cycle unit affect Gulf's resource needs and reserves for 2002 and beyond?