

Gulf Power Company
500 Bayfront Parkway
Post Office Box 1151
Pensacola FL 32520-1151
Telephone 904 444-6365

**ORIGINAL
FILE COPY**

Jack L. Haskins
Director of Rates and Regulatory Matters
and Assistant Secretary

The Southern Electric System

February 5, 1990

The Honorable Danny Sparks
Mayor of Callaway
5708 Cherry Street
Panama City FL 32401

891345-EI

Dear Mr. Mayor:

RE: Gulf Power Company Retail Rate Filing

On December 15, 1989, Gulf Power Company filed with the Florida Public Service Commission, a Petition for a retail rate increase in the amount of \$26,295,000. In accordance with FPSC Rule 25-22.406, "Notice and Public Information on General Rate Increase Request", a synopsis of the rate request is being mailed to the chief executive officer of the governing body of each municipality and county within Gulf's service territory.

Sincerely,

Jack L. Haskins

lw

Enclosure

ACK _____
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG _____
LIN _____
OPC _____
RCH _____
SEC _____
SWS _____
GTR _____

cc: Florida Public Service Commission
Steve Tribble

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FLORIDA PUBLIC
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DOCUMENT NUMBER-DATE
01115 FEB -6 1990
FPSC-RECORDS/REPORTING

Mr. Rod Kendig, City Manager
City of Pensacola
P. O. Box 12910
Pensacola FL 32521

Mr. Wayne Peacock, County Administrator
Escambia County
P. O. Box 1591
Pensacola FL 32597-1591

The Honorable Ed Gray, III
Mayor of Gulf Breeze
P. O. Box 640
Gulf Breeze FL 32561

The Honorable Millard F. Adams, Jr.
Chairman of Santa Rosa County Commissioners
801 Caroline Street, SE, Suite J
Milton FL 32570

The Honorable Clyde L. Gracey
Mayor of Milton
601 Alabama Street
Milton FL 32570

The Honorable Edward Ross
Mayor of Century
P. O. Box 790
Century FL 32535

The Honorable Bill Roberts
P. O. Box 4009
Fort Walton Beach FL 32549

The Honorable Gene Clary
Mayor of Laurel Hill
Rt. 1, Box 101
Laurel Hill FL 32567

The Honorable Chuck Laginess
10 Yacht Club Drive
Fort Walton Beach FL 32548

The Honorable Ferrin Campbell, Jr.
Chairperson, County Commissioners
Okaloosa County Courthouse Annex
1250 N. Eglin Parkway
Shalimar FL 32579

The Honorable Joe Young
195 Christobal Road, North
Mary Esther FL 32569

The Honorable John V. Lawson
P. O. Box 685
DeFuniak Springs FL 32433

The Honorable Bart Hudson
2 Cherokee Road
Shalimar FL 32579

The Honorable James H. Merchant
P. O. Box 214
Ponce de Leon FL 32544

The Honorable Randall Wise
208 North Partin
Niceville FL 32578

The Honorable Oscar D. Wooten, Jr.
Town Hall
P. O. Box 1212
Paxton FL 32538

The Honorable J. B. Arnold, Jr.
44 Southview Avenue
Valparaiso FL 32580

The Honorable Sam Pridgen
Chairperson, County Commissioners
Walton County Court House
P. O. Box 1260
DeFuniak Springs FL 32433

The Honorable Ted Mathis
P. O. Box 1207
Crestview FL 32536

The Honorable Ron Barber
Mayor of Lynn Haven
825 Ohio Avenue
Lynn Haven FL 32444

The Honorable Harrell Sapp
Mayor of Vernon
P. O. Box 347
Vernon FL 32462

The Honorable Russell Anderson
Mayor of Caryville
P. O. Box 206
Caryville FL 32427

The Honorable John Van Landingham
Mayor of Bonifay
P. O. Box 206
Bonifay FL 32425

The Honorable Patricia Segrest
Mayor of Graceville
P. O. Drawer 636
Graceville FL 32440

The Honorable E. E. Knowles
Mayor of Campbellton
P. O. Box 9
Campbellton FL 32526

The Honorable Girard L. Clemmons
Mayor of Panama City
9 Harrison Avenue
Panama City FL 32401

The Honorable Von Mills
Mayor of Springfield
3529 East Third Street
Panama City FL 32401

The Honorable Nathan Lisenby
Mayor of Cedar Grove
2728 East 14th Street
Panama City FL 32401

The Honorable Earl Gilbert
Mayor of Parker
P. O. Box 10745
Parker FL 32401-0047

The Honorable Danny Sparks
Mayor of Callaway
5708 Cherry Street
Panama City FL 32401

The Honorable Philip Griffiths
Mayor of Panama City Beach
110 South Arnold Road
Panama City Beach FL 32407

The Honorable J. M. Engram
Mayor of Chipley
P. O. Drawer Q
Chipley FL 32428

GULF POWER COMPANY

Rate Case Synopsis

Docket No. 891345-EI

DOCUMENT NUMBER-DATE
01115 FEB -6 1990
FPSC-RECORDS/REPORTING

GULF POWER COMPANY
Rate Case Synopsis
Docket No. 891345-EI

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I. PURPOSE

Pursuant to Rule 25-22.0406(4)(a), Gulf Power Company is providing a synopsis of the rate request.

II. COMPARISON OF THE PRESENT AND PROPOSED RATES FOR MAJOR SERVICES

Attached to the end of this synopsis is MFR E-17 (Attachment 1) which provides a comparison for all present and proposed rates.

III. MAJOR RATE CASE ISSUES

The issues listed below are anticipated by the Company to be major areas considered; however, it is rather difficult to anticipate all the issues which may develop during a rate case.

1. What is Gulf's test year rate base?
2. What is Gulf's test year working capital?
3. What is Gulf's test year cost of capital?
4. Are Gulf's projection of Operation and Maintenance Expenses for 1990 reasonable?
5. What is the proper Return on Equity for the test year?

IV. EXECUTIVE SUMMARY OF THE RATE CASE

Gulf Power Company's Petition, new rate schedules, testimony, and Minimum Filing Requirements (MFR's) are filed under Section 366.06(3), Florida Statutes. Gulf seeks new base rates and charges which, based upon projected 1990 operations, would provide additional gross annual jurisdictional revenues of \$26.295 million or a 6.2% increase. This revenue increase request reflects a return on equity of 13.00% (a decrease from the 15.60% mid-point authorized in Docket No. 840086-EI), and a decrease in its allowed overall rate of return from 9.75% (the mid-point) to 8.34%.

The increased revenues sought by the Company are necessary to maintain its financial integrity and permit it to earn a reasonable rate of return. Without rate relief, the overall jurisdictional return earned in 1990 would be only 6.60% and the jurisdictional return on common equity will fall to 7.52%.

The primary factor impacting the need for rate relief is the commitment of over 500 megawatts of additional capacity to territorial service from July 1, 1988, through January 31, 1989, and the associated O & M expenses. Although substantial capital additions in the transmission, distribution, and general plant functions and increased O & M expenses have occurred since Gulf last received rate relief from the Commission, it is

primarily the addition of generating capacity from Plants Daniel and Scherer which creates the Company's need for rate relief.

The Company is proposing to increase the differential between summer and winter energy charges on the General Service Non-demand rate (GS) to equal the differential in the Residential (RS) seasonal energy charges.

A local facilities charge is proposed for all customers contracting for over 500 KW of capacity. When the customer's actual demand (KW) does not reach at least 80% of the specified Capacity Required to be Maintained (CRM) in the Power Contract, the customer will be required to pay a local facilities charge on the difference between the actual KW and 80% of the CRM.

The demand charge for the General Service - Demand (GSD) rate has been reduced to provide a break-even load factor of 60 to 70 percent between GSD and the Large Power rate (LP).

Two new types of outdoor lighting fixtures are being made available. A directional street and roadway light is being offered as an alternative to conventional lights with long support area and a decorative lighting fixture for its outdoor lighting customers. A new section (OS-IV) is being proposed that will provide service for recreational lighting such as baseball parks, football and soccer fields and tennis courts.

V. DESCRIPTION OF THE RATEMAKING PROCESS AND TIME SCHEDULE

A. A Rate Case - Step by Step

(These excerpts are taken from a publication prepared by the Florida Public Service Commission.)

To understand how a rate case is handled, it is helpful to look at two basic things. The first is who participates in the case. The second is what the Commission will be looking at in making decisions in the case. Except for minor changes, the same procedures are used whether the rate case involves an electric, telephone, gas, water, or sewer utility.

Who's Who

Many people are involved in a utility rate case. We've listed some of the main participants to give you an idea of who's who.

1. The Public Service Commission is composed of five Commissioners appointed by the Governor. All five may sit on a rate case, or the case may be assigned by the chairman of the Commission to a panel of Commissioners. The Commissioners assigned to the case will make final decisions on all of the issues in the case based on the evidence received.
2. The Commissioners are assisted by a Commission Staff of more than 300. The Staff members

involved in the case include attorneys who advise on legal issues, engineers who inspect the utility sites and equipment, accountants who audit the utility's books and records, consumer affairs specialists who review complaints against the utilities, and rate and financial analysts who study the dollar issues, the rates, and rate structure. The Commission also may employ outside consultants as expert witnesses on complex issues.

3. The Public Counsel is appointed by the Legislature to represent the citizens in rate cases before the Commission. He also has a staff of attorneys, accountants, rate and financial analysts, and also employs outside consultants as expert witnesses.
4. The utility company's officers and staff personnel testify about the utility, its operations and financial receipts and expenses. The company may also employ outside consultants as expert witnesses. Company accountants, rate analysts, and engineers compile information in support of the rate increase request, and testify at the hearings.

5. Intervenors representing organizations, consumer groups, industrial groups, commercial organizations, local governments, and even the Federal government participates. An intervenor is a party who legally intervenes in the rate case through a petition to the Commission to represent a specific interest or point of view in the case. The intervenor has equal opportunity with other parties in the case to ask questions, present testimony, and cross-examine witnesses.

What They Look At

All of these participants are, of course, mainly interested in what the Commission's final decisions in the case will be. But before those decisions are made, the case will be studied for months and volumes of data will be compiled on all aspects of the utility's operations.

Rate Case Requirements

The case actually begins with a single sheet of paper. The utility writes a letter to the Public Service Commission asking for approval of a "test year". That is the 12-month period for which utility operating data will be examined for a rate case. The data may be compared to results of previous years and adjusted for known changes, such as inflation, after

the test period.

The letter signals that the utility is about to ask for a rate increase. That single sheet will start an avalanche of paper that will continue over the eight months the Commission investigates the case.

After the "test year" letter, the utility files its request for a rate increase. With that, it files MFRs, which is jargon for Minimum Filing Requirements.

Commission rules establish what data the utility is required to file. These MFRs contain hundreds of pages of figures and reports on the utility's expenses, investment and operations during the test year. The utility files that data and a lot more. Before it is over, the Commission will try to get all the significant information on the utility's operations, expenses, and earnings. The data required includes the certified financial statements of the company.

The utility also files the testimony that it plans to offer in support of its rate increase request. The law requires the utility to carry the burden of proof and show why the requested increase is needed.

The Commission, the Public Counsel, and the others involved in the case invariably ask for more

information or information in a different form as the case continues.

The data tells about the operations of the company, supplies and expenses, taxes, construction, depreciation, and all of the other operating and financial matters that are crucial to a decision.

There are audit reports from the Commission's auditors, and additional testimony from the company, the Commission staff, and public counsel, and various intervenor witnesses.

With the volumes of information filed in the case, there must be procedures for handling all of the data and concluding the case within the eight month time-frame established by Florida law.

Hearings

A utility can't change its prices (up or down) without authority from the Commission and rate case procedures provide for public hearings. These hearings are governed by rules similar to those used by courts. Witnesses are sworn and subject to cross-examination, and the final decision must be based upon information presented to the Commission during the hearings.

The first hearings are scheduled in the local service area to hear from customers. Often,

customers tell the Commission about service problems they have had, and this often opens up new avenues for the Commission to investigate. The customers also may testify about rates and charges they consider improper or unfairly discriminatory, and this frequently leads to issues the Commission will investigate.

The Public Counsel provides legal representation for consumers in matters before the Commission. The Public Counsel participates in major rate cases, has access to all the information filed by the utility, assists members of the public who wish to testify and provides expert witnesses on various issues in the case.

After time for investigation of all the information, the Commission schedules additional hearings for detailed review of all the technical, legal, and financial issues in the case. These hearings may, in a major case, require two weeks or more.

Witnesses from the utility, the Commission staff, the public counsel, and intervenors present testimony and are cross-examined. Among the things the Commission looks for are expenditures that could be considered unnecessary or improper. Expenditures of

that kind are disallowed for rate-making purposes. That means the ratepayers don't have to pay for those costs.

There are official transcripts of all hearings. Court reporters record the hearings, just as they do in a courtroom. These transcripts run thousands of pages. In major cases a transcript is made daily, and typists work through the night to have the transcript ready before the start of the next day's session.

Completing the Rate Case

After hearings are completed, briefs are usually filed by all parties to the case. The briefs summarize each party's position on the issues.

The Commission staff then makes recommendations to the Commissioners on each issue of the case. The written recommendations are in significant detail and can cover hundreds of pages.

All of the information on file is open to the public, and is available for review at the Commission offices in Tallahassee. The information filed by the utility (MFRs) also is available at the utility's local offices in cities where hearings are conducted.

When the Commission makes its final decision, there will be a "vote sheet" which is a listing of

all the issues requiring a vote by the Commissioners. There are often 150 or more issues in a major case, and it sometimes takes the Commissioners two or three days to complete the final review of the case and to vote on each issue.

Commission attorneys prepare a formal order containing the background of the case, the Commission decisions and the basis for the decisions, the new rates, and when they will be effective. The order may be 50 to 75 pages.

After the Commission's order is issued, any party may ask the Commission to reconsider any decision on the issues. After reconsideration, the public counsel, the utility, or any other party may appeal the Commission's decision to the courts.

GULF POWER COMPANY

1989 Retail Rate Case Schedule

(Docket No. 891345-EI)

Filing	December 15, 1989
Service Hearings	
Pensacola	April 4, 1990
Panama City	April 5, 1990
Pre-hearing Conference	May 22, 1990
Hearing	June 11-15, 18-22, 1990

VI. LOCATIONS AT WHICH COMPLETE MFRs ARE AVAILABLE FOR INSPECTION

1. Panama City
1230 E. 15th Street
2. Pensacola
75 N. Pace Blvd.
3. Fort Walton Beach
140 Hollywood Boulevard

Schedule E-17

PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide proposed tariff sheets highlighting changes in legislative format from existing tariff provisions. For each charge, reference by footnote unit costs as shown on Schedules E-8b and E-10, if applicable. Indicate whether unit costs are calculated at the class or system rate of return. On separate attachment explain any differences between unit costs and proposed charges. Provide the derivation (calculation and assumptions) of all charges and credits other than those for which unit costs are calculated in these MFR schedules, including those charges and credits the company proposes to continue at the present level. Worksheets for street and outdoor lighting rates, 1-0-U rates and standard energy charges shall be furnished under separate cover to staff, Commissioners, Commission Clerk and upon request to other parties to this docket.

Type of Data Shown:

Projected Test Year Ended 12 / 31 / 90

COMPANY: GULF POWER COMPANY

Witness: J. L. MANSKINS

DOCKET NO.: 891345-E1

	CUSTOMER (\$/CUSTOMER)	DEMAND (\$/KW)	ENERGY (¢/KWH)	ENERGY (¢/KWH)				DEMAND (\$/KW)	CUSTOMER (\$/CUSTOMER)	ON-PEAK	MAX	ENERGY (¢/KWH)	
				JUN-SEP	OCT-MAY	RST	PRESENT CHARGE					PROPOSED CHARGE	UNIT COST
RS PRESENT CHARGE	6.25	-	3.71600	JUN-SEP	OCT-MAY	RST	PRESENT CHARGE	9.25	-	-	-	7.777	1.378
PROPOSED CHARGE	8.00	-	3.16800	JUN-SEP	OCT-MAY		PROPOSED CHARGE	11.00	-	-	-	8.632	1.608
UNIT COST	9.71	-	4.11400	JUN-SEP	OCT-MAY		UNIT COST	9.71	(1)	(1)	(1)	(1)	(1)
			3.68900										
			0.36466										
GS PRESENT CHARGE	7.00	-	6.36800	JUN-SEP	OCT-MAY	GST	PRESENT CHARGE	10.00	-	-	-	14.727	2.206
PROPOSED CHARGE	10.00	-	6.17400	JUN-SEP	OCT-MAY		PROPOSED CHARGE	13.00	-	-	-	14.326	2.188
UNIT COST	19.01	-	6.42300	JUN-SEP	OCT-MAY		UNIT COST	19.01	(1)	(1)	(1)	(1)	(1)
			5.46100										
			0.39785										
GSD PRESENT CHARGE	27.00	6.25	0.66100	JUN-SEP	OCT-MAY	GSDT	PRESENT CHARGE	32.40	3.42	2.96	-	1.385	0.302
PROPOSED CHARGE	40.00	6.51	1.42600	JUN-SEP	OCT-MAY		PROPOSED CHARGE	45.40	2.44	2.17	-	3.269	0.692
UNIT COST	42.02	7.54	0.35276				UNIT COST	42.02	(1)	(1)	(1)	(1)	(1)
LP PRESENT CHARGE	51.00	6.25	0.86100	JUN-SEP	OCT-MAY	LPT	PRESENT CHARGE	51.00	3.35	2.97	-	1.928	0.390
PROPOSED CHARGE	230.00	8.52	0.56800	JUN-SEP	OCT-MAY		PROPOSED CHARGE	230.00	4.52	4.15	-	1.211	0.300
UNIT COST	461.77	9.11	0.33602				UNIT COST	461.77	(1)	(1)	(1)	(1)	(1)

(1) TIME DIFFERENTIATED COSTS WERE NOT PREPARED.

Supporting Schedules:

Schedule E-17

PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide proposed tariff sheets highlighting changes in legislative format from existing tariff provisions. For each charge, reference by footnote unit costs as shown on Schedules E-8b and E-10, if applicable. Indicate whether unit costs are calculated at the class or system rate of return. On separate attachment explain any differences between unit costs and proposed charges. Provide the derivation (calculation and assumptions) of all charges and credits other than those for which unit costs are calculated in these MFR schedules, including those charges and credits the company proposes to continue at the present level. Workpapers for street and outdoor lighting rates, 1-0-U rates and standard energy charges shall be furnished under separate cover to staff, Commissioners, Commission Clerk and upon request to other parties to this docket.

Type of Data Shown:

Projected Test Year Ended 12 / 31 / 90

Witness: J. L. MASKINS

COMPANY: GULF POWER COMPANY
 DOCKET NO.: 891345-E1

	CUSTOMER (\$/CUSTOMER)	DEMAND (\$/KW)	ENERGY (e/KWH)	CUSTOMER (\$/CUSTOMER)		DEMAND (\$/KW)		ENERGY (e/KWH)	
				OR-PEAK	OR-OFF-PEAK	OR-PEAK	OR-OFF-PEAK		
PX FEEBENT CHARGE	146.00	7.50	0.52100	146.00	3.99	3.56	1.299	0.242	
PROPOSED CHARGE	550.00	0.25	0.44500	550.00	4.32	3.97	0.904	0.262	
UNIT COST	1,099.99	0.95	0.32686	1099.99					

Note: For explanation of differences between proposed charges and unit costs, see testimony of Jack Maskins. Unit costs are also shown on witness O'Sheesy's Schedule 8.

OSI & OSII - All proposed charges are set equal to unit costs.

OSIII - All proposed charges are set to unit costs.

Initial Service Charge:
 PRESENT CHARGE: \$16.00
 PROPOSED CHARGE: \$20.00
 (2) UNIT COST \$19.79

Temporary Service Charge:
 PRESENT CHARGE: \$48.00
 PROPOSED CHARGE: \$40.00
 (2) UNIT COST \$58.07

Investigation Fee:
 PRESENT CHARGE: \$30.00
 PROPOSED CHARGE: \$55.00
 (2) UNIT COST \$55.02

Note: For derivation of minimum local facilities charges, see witness Maskins' Schedule 5.
 (1) Tier differentiated costs were not prepared.
 (2) MFR E-10

Supporting Schedules:

GULF POWER COMPANY

Docket No. 891345-EI
Minimum Filing Requirements

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GULF POWER COMPANY

Docket No. 891345-EI
Minimum Filing Requirements

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A. Executive Summary Schedules

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the requested revenue increase.

Type of Rate Shows:

COMPANY: GULF POWER COMPANY

Historic Test Year Ended
Projected Test Year Ended 1990
Prior Year Ended

PROJECT NO. 871343-E1

Witness: R. J. McMillan
A. E. Scarborough

Test Year Ended 12/31/90

Line No	Description	Source	Amount \$
1	Jurisdictional Adjusted Rate Base	Schedule A-9	923,562
2	Rate of Return on Rate Base Requested	Schedule B-1	8,302
3	Jurisdictional Income Requested	Line 1 x Line 2	77,025
4	Jurisdictional Adjusted Net Operating Income	Schedule A-10	60,910
5	Income Deficiency (Excess)	Line 3 - Line 4	16,115
6	Earned Rate of Return	Line 6/Line 1	6.663
7	Net Operating Income Multiplier	Schedule C-5B, Line 12	1.631699
8	Revenue Deficiency (Excess)	Line 5 x Line 7	26,295
9	Attrition Allowance	Schedule C-59	0
10	Revenue Increase Requested	Line 8 + Line 9	26,295

Schedule A-1b 89 Jurisdictional Factors INTERIM REVENUE REQUIREMENTS INCREASE REQUESTED PERIOD END

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the calculation of the requested interim revenue requirements increase.

COMPANY: GULF POWER COMPANY
 ORDER NO. 1891343-E1
 Type of Rate Show: Historical Test Year Ended 9/30/89
 Projected Test Year Ended
 Prior Year Ended
 Witness: B. J. McMillan
 A. E. Scarborough

Line No	Description	Source	Amount (000)
1.	Jurisdictional Adjusted Rate Base	Schedule B-2	992,767
2.	Rate of Return on Rate Base Requested	Schedule B-3B	8.28%
3.	Jurisdictional Income Requested	Line 1 x Line 2	79,744
4.	Jurisdictional Adjusted Net Operating Income	Schedule B-10	66,742
5.	Income Deficiency (Excess)	Line 3 - Line 4	14,002
6.	Earned Rate of Return	Line 4/Line 1	6.73%
7.	Net Operating Income Multiplier	Schedule B-37	1.631679
8.	Revenue Deficiency (Excess)	Line 5 x Line 7	22,847
9.	Attrition Allowance	Schedule B-44	0
10.	Revenue Increase Invested	Line 8 + Line 9	22,847

SUMMARY OF RATE CASE

FLORIDA PUBLIC SERVICE COMMISSION **EXPLANATION:** Provide a brief summary of the highlights of the case, supplemented by the following schedule. Describe requested rate making approaches that differ from a) those used in the company's last rate case, and b) those used in recent Commission Orders. Items issues being raised which have not previously been addressed including new rate design.

COMPANY: GULF POWER COMPANY

BUCKET NO. 091345-E1

Type of Rate Shows:
 Historic Test Year Ended
 Projected Test Year Ended 1990
 Prior Year Ended
Witness: R. J. McMillan
A. E. Scarborough

Line No.	Item	(1) (0000)	(2) Requested	(3) Authorized	(4) Current Rate Case Requested	(5) Difference (4) - (3)	(6) Percent Change (5) / (3)
1	Bucket Number		040000-E1	040000-E1	091345-E1	-	-
2	Test Year		1994	1994	1990	-	-
3	Rate Increase - Percent (Gross Annual Revenues)		28.447	4.659	26.295	21.636	644.39
4	Rate Increase - Inflation (Gross Annual Revenues)		0	0	22.047	22.047	109.00
5	Jurisdictional Rate Base Before Rate Increase (Test Year)		672.224	625.662	925.362	297.699	67.63
6	Jurisdictional Net Operating Income Before Rate Increase (Test Year)		51.757	59.649	60.910	2.262	3.86
7	Rate of Return Earned (Test Year)		7.793	9.372	6.692	12.780	(29.65)
8	Overall Rate of Return (Weighted Cost of Capital)		9.633	9.793	8.342	11.451	(14.46)
9	Cost of Long Term Debt		9.213	9.293	8.723	16.523	(53.63)
10	Cost of Preferred Stock		8.633	8.633	7.753	16.999	(10.99)
11	Cost of Short-Term Debt		9.293	9.293	8.062	11.291	(13.94)
12	Cost of Customer Deposits		7.883	7.883	7.633	16.233	(12.92)
13	Cost of Common Equity		15.833	15.692	13.062	12.661	(16.67)
14	Number of Retail Customers - Average (Test Year)		234,946	234,946	290,213	55,267	23.51
15	EBIT Sales (000)		5,572,217	5,572,217	7,499,493	2,127,276	39.18
16	Rate Base Percent Rates Effective		12/17/94	12/17/94			

FLORIDA PUBLIC SERVICE COMMISSION **EXPLANATION:** Provide a brief summary of the highlights of the case, supplemented by the following schedule. Describe recommended rate making approaches that differ from a) those used in the company's last rate case, and b) those used in recent Commission Orders. Itemize issues being raised which have not previously been addressed including new rate design.

COMPANY: GULF POWER COMPANY
DOCKET NO. 891345-E1

Type of Rate Change:
 Historic Test Year Ended
 Projected Test Year Ended 1990
 Prior Year Ended
 Witness: R. J. McMillan
 A. E. Scarborough

Summary of Case Highlights

As set forth in Gulf's RFR filing and the direct testimony, the calculated revenue deficiency is \$26,273,060.

The Company's proposed revenue increase was calculated using the Commission approved test year period of Calendar Year 1989. The test year data is based upon the Company's 1989 financial forecast with specified adjustments and a rate of return on average jurisdictional rate base of 8.34%, which reflects a return on common equity of 13.6%.

The commitment of over 500 megawatts of additional capacity to territorial service from July 1, 1988, through January 31, 1989, and the associated O & M expenses were the filing of this request for rate relief necessary, although substantial capital additions in the transmission, distribution, and general plant functions and increased O & M expenses have occurred since Gulf last received rate relief from the Commission. It is primarily the addition of generating capacity from Plants Susiel and Scherer which creates the Company's need for rate relief.

Rate Design

The Company is proposing to increase the differential between summer and winter energy charges on the General Service Non-demand rate (GR) to equal the differential in the Residential (RR) seasonal energy charges.

A local facilities charge is proposed for all customers contracting for over 300 KW of capacity. When the customer's actual demand (AD) does not reach at least 90% of the specified Capacity Required to be Maintained (CRM) in the Power Contract, the customer will be required to pay a local facilities charge on the difference between the actual KW and 90% of the CRM.

The demand charge for the General Service - Inland (GR) rate has been reduced to provide a break-even load factor of 60 to 70 percent between GR and the Large Power rate (LP).

Ten new types of outdoor lighting fixtures are being made available. A directional street and roadway light is being offered as an alternative to conventional lights with long support arms and a decorative lighting fixture for its outdoor lighting customers. A new section (GR-IV) is being proposed that will provide service for recreational lighting such as baseball parks, football and soccer fields and tennis courts.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For the total amount of increased revenue requested, provide the decomposition into categories for "rate share" adjustment, last allowed rate of return, current cost of structure, requested rate base, requested rate of return, attrition and any other.

Type of Rate Share:
 Historic Test Year Ended
 Projected Test Year Ended 1999
 Prior Year Ended
 Witness: R. J. McMillan
 A. E. Scarborough

DOCKET NO. 891345-C1

Line No.	Description	(1) Revenue Requirement	(2) Jurisdictional Adjusted (1999 \$)	(3) Incremental Amount Over Previous Items (1999 \$)	(4) Per Cent of Total \$
1	Amount requested to allow utility to earn floor of previously authorized rate of return of 9.46% on previously authorized rate base of \$425,492,000.	12,877	99,182	(1,728)	(10.73)
2	Amount requested to allow utility to earn dividend of previously authorized rate of return of 9.72% on previously authorized rate base of \$425,492,000.	2,960	66,976	1,814	11.26
3	Amount requested to allow utility to earn rate of return of 9.22% based on current capital structure and dividend test allowed equity return of 15.6% on previously authorized rate base of \$425,492,000.	(5,499)	37,481	(3,313)	(20.37)
4	Amount requested to allow utility to earn rate of return of 9.22% (3 above) as increase in previously authorized rate base of \$425,492,000 to requested rate base of \$729,363,000.	44,823	85,132	27,471	176.47
5	Amount requested to decrease equity return to 13.60% and overall rate of return to 8.34%	(13,261)	77,425	(8,127)	(26.43)
6	WPI Increase Requested			16,112	
7	WPI Multiplier			1,431,999	
8	Revenue Increase Requested	26,275		26,275	

5

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For each rate, calculate typical monthly bills for present rates and proposed rates.

Type of Data Shown:

COMPANY: GULF POWER COMPANY

Projected Test Year Ended 12 / 31 / 90

DOCKET NO.: 891345-E1

Witness: J. L. HASKINS

RATE CLASS	KW	KWH	BILL UNDER PRESENT RATES \$				BILL UNDER PROPOSED RATES \$				INCREASE		CENTS PER KWH	
			BASE RATE	FUEL	ECCR	TOTAL	BASE RATE	FUEL	ECCR	TOTAL	\$	%	PRESENT	PROPOSED
			(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
RS (1)		1,000	43.41	21.47	0.16	65.04	49.14	21.47	0.16	70.77	5.73	8.81%	6.504	7.077
RS (2)		1,000	37.73	21.47	0.16	59.36	42.89	21.47	0.16	64.52	5.16	8.69%	5.936	6.452
GS (1)		1,500	102.22	32.21	0.24	134.67	106.35	32.21	0.24	138.80	4.13	3.07%	8.978	9.253
GS (2)		1,500	99.61	32.21	0.24	132.06	91.62	32.21	0.24	124.07	(7.99)	-6.05%	8.804	8.271
GSD	20	11,000	222.51	236.17	1.76	460.44	286.84	236.17	1.76	524.77	64.33	13.97%	4.186	4.771
GSD	25	11,000	253.76	236.17	1.76	491.69	309.39	236.17	1.76	547.32	55.63	11.31%	4.470	4.976
GSD	50	11,000	410.01	236.17	1.76	647.94	422.14	236.17	1.76	660.07	12.13	1.87%	5.890	6.001
LP	500	288,000	5,655.68	5,993.28	46.08	11,695.04	6,125.84	5,993.28	46.08	12,165.20	470.16	4.02%	4.061	4.224
LP	658	288,000	6,643.18	5,993.28	46.08	12,682.54	7,472.00	5,993.28	46.08	13,511.36	828.82	6.54%	4.404	4.691
LP	1,315	288,000	10,749.43	5,993.28	46.08	16,788.79	13,069.64	5,993.28	46.08	19,109.00	2,320.21	13.82%	5.829	6.635
LPT	5,000 MAX 5,000 ON	600,000 ON 1,800,000 OFF	50,239.00	49,860.00	384.00	100,483.00	56,246.00	49,860.00	384.00	106,490.00	6,007.00	5.98%	4.187	4.437
PKT	10,000 MAX 10,000 ON	1,600,000 ON 4,900,000 OFF	108,288.00	132,440.00	1,040.00	241,768.00	112,032.00	132,440.00	1,040.00	245,512.00	3,744.00	1.55%	3.720	3.777

(1) JUNE - SEPTEMBER
(2) OCTOBER - MAY

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For each rate, calculate typical monthly bills for present rates and proposed rates.

Type of Data Shown:

COMPANY: GULF POWER COMPANY

Historical Test Year Ended 09 / 30 / 89

DOCKET NO.: 891345-E1

Witness: J. L. MASKINS

RATE CLASS	KW	KWH	BILL UNDER PRESENT RATES \$				BILL UNDER PROPOSED RATES \$				INCREASE		CENTS PER KWH	
			BASE RATE	FUEL	ECCR	TOTAL	BASE RATE	FUEL	ECCR	TOTAL	\$	%	PRESENT	PROPOSED
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
RS (1)		1,000	43.41	21.47	0.16	65.04	48.70	21.47	0.16	70.33	5.29	8.13%	6.504	7.033
RS (2)		1,000	37.73	21.47	0.16	59.36	42.33	21.47	0.16	63.96	4.60	7.75%	5.936	6.396
GS (1)		1,500	102.22	32.21	0.24	134.67	102.22	32.21	0.24	134.67	0.00	0.00%	8.978	8.978
GS (2)		1,500	99.61	32.21	0.24	132.06	99.61	32.21	0.24	132.06	0.00	0.00%	8.804	8.804
GSD	20	11,000	222.51	236.17	1.76	460.44	240.64	236.17	1.76	478.57	18.13	3.94%	4.186	4.351
GSD	25	11,000	253.76	236.17	1.76	491.69	274.44	236.17	1.76	512.37	20.68	4.21%	4.470	4.658
GSD	50	11,000	410.01	236.17	1.76	647.94	443.42	236.17	1.76	681.35	33.41	5.16%	5.890	6.194
LP	500	288,000	5,655.68	5,993.28	46.08	11,695.04	6,262.05	5,993.28	46.08	12,301.41	606.37	5.18%	4.061	4.271
LP	658	288,000	6,643.18	5,993.28	46.08	12,682.54	7,355.43	5,993.28	46.08	13,394.79	712.25	5.62%	4.404	4.651
LP	1,315	288,000	10,749.43	5,993.28	46.08	16,788.79	11,901.93	5,993.28	46.08	17,941.29	1,152.50	6.86%	5.829	6.230
LPT	5,000 MAX 5,000 ON	600,000 ON 1,800,000 OFF	50,239.00	49,860.00	384.00	100,483.00	55,625.37	49,860.00	384.00	105,869.37	5,386.37	5.36%	4.187	4.411
PXT	10,000 MAX 10,000 ON	1,600,000 ON 4,900,000 OFF	108,288.00	132,440.00	1,040.00	241,768.00	111,039.49	132,440.00	1,040.00	244,519.49	2,751.49	1.14%	3.720	3.762

(1) JUNE - SEPTEMBER

(2) OCTOBER - MAY

Supporting Schedules:

Recall Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a summary of all proposed charges
in rates and rate classes, detailing current and proposed
classes of service, demand, energy, and other service charges.

Type of Data Shown:

COMPANY: GULF POWER COMPANY

Projected Test Year Ended 12 / 31 / 90

DOCKET NO.: 891345-E1

Witness: J. L. MASKINS

	CUSTOMER (\$/CUSTOMER)	DEMAND (\$/KW)	ENERGY (¢/KWH)			CUSTOMER (\$/CUSTOMER)	DEMAND (\$/KW)		ENERGY (¢/KWH)	
							ON-PEAK	MAX	ON-PEAK	OFF-PEAK
RS PRESENT CHARGE	6.25	-	3.71600	JUN-SEP	RST PRESENT CHARGE	9.25	-	-	7.797	1.378
PROPOSED CHARGE	8.00	-	3.14800	OCT-MAY	PROPOSED CHARGE	11.00	-	-	8.632	1.608
UNIT COST	9.71	-	4.11400	JUN-SEP	UNIT COST	9.71	(1)	-	(1)	-
			3.48900	OCT-MAY						
			0.34466							
GS PRESENT CHARGE	7.00	-	6.34800	JUN-SEP	GST PRESENT CHARGE	10.00	-	-	14.727	2.296
PROPOSED CHARGE	10.00	-	6.17400	OCT-MAY	PROPOSED CHARGE	13.00	-	-	14.324	2.188
UNIT COST	19.01	-	6.42300	JUN-SEP	UNIT COST	19.01	(1)	-	(1)	-
			5.44100	OCT-MAY						
			0.39785							
GSD PRESENT CHARGE	27.00	6.25	0.64100		GSDT PRESENT CHARGE	32.40	3.42	2.96	1.385	0.302
PROPOSED CHARGE	40.00	4.51	1.42400		PROPOSED CHARGE	45.40	2.44	2.17	3.269	0.692
UNIT COST	42.02	7.54	0.35274		UNIT COST	42.02	(1)	-	(1)	-
LP PRESENT CHARGE	51.00	6.25	0.86100		LPT PRESENT CHARGE	51.00	3.35	2.97	1.928	0.390
PROPOSED CHARGE	230.00	8.52	0.56800		PROPOSED CHARGE	230.00	4.52	4.15	1.211	0.300
UNIT COST	461.77	9.11	0.33602		UNIT COST	461.77	(1)	-	(1)	-

(1) TIME DIFFERENTIATED COSTS WERE NOT PREPARED.

Supporting Schedules:

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide a summary of all proposed charges
in rates and rate classes, detailing current and proposed
classes of service, demand, energy, and other service charges.

COMPANY: GULF POWER COMPANY

DOCKET NO.: 891345-E1

Type of Data Shown:

Projected Test Year Ended 12 / 31 / 90

Witness: J. L. HASKINS

	CUSTOMER (\$/CUSTOMER)	DEMAND (\$/KW)	ENERGY (¢/KWH)		CUSTOMER (\$/CUSTOMER)	DEMAND (\$/KW)		ENERGY (¢/KWH)	
						ON-PEAK	MAX	ON-PEAK	OFF-PEAK
PX PRESENT CHARGE	146.00	7.50	0.52100	PXT PRESENT CHARGE	146.00	3.99	3.56	1.299	0.242
PROPOSED CHARGE	550.00	8.25	0.44500	PROPOSED CHARGE	550.00	4.32	3.97	0.984	0.262
UNIT COST	1,099.99	8.95	0.32686	UNIT COST	1099.99	(1)		(1)	

Note: For explanation of differences between proposed charges and unit costs, see testimony of Jack Haskins. Unit costs are also shown on witness O'Sheasy's Schedule 8.

OSI & OSII - All proposed charges are set equal to unit costs.

OSIII - All proposed charges are set to unit costs.

Initial Service Charge:

PRESENT CHARGE:	\$16.00
PROPOSED CHARGE:	\$20.00
(2) UNIT COST	\$19.79

Temporary Service Charge:

PRESENT CHARGE:	\$48.00
PROPOSED CHARGE:	\$60.00
(2) UNIT COST	\$58.67

Investigation Fee:

PRESENT CHARGE:	\$30.00
PROPOSED CHARGE:	\$55.00
(2) UNIT COST	\$55.02

Note: For derivation of minimum local facilities charges, see witness Haskins' Schedule 5.

(1) Time differentiated costs were not prepared.

(2) MFR E-10

Supporting Schedules:

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: GULF POWER COMPANY
 DOCKET NO.: 891345-E1

EXPLANATION: Compare jurisdictional revenue by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or old classification.

Type of Data Shown:
 Projected Test Year Ended 12 / 31 / 90
 Witness: J. L. HASKINS

PRESENT RATES - TEST YEAR

Rate SCHEDULE	REVENUES UNDER PRESENT RATES (\$000)					REVENUES UNDER PROPOSED RATES (\$000)					Base		Total	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL Base	TOTAL Fuel	TOTAL ECCR	TOTAL UNBILLED BASE	TOTAL OVERALL	TOTAL Base	TOTAL Fuel	TOTAL ECCR	TOTAL UNBILLED BASE	TOTAL OVERALL	\$ (6) - (1)	% (11) / (1)	\$ (10) - (5)	% (13) / (5)
RS/RST	\$131,559	\$73,892	\$812	\$300	\$206,563	\$149,010	\$73,892	\$812	\$340	\$224,054	\$17,451	13.26%	\$17,491	8.47%
GS/GST	14,985	4,683	50	46	19,764	14,938	4,683	50	46	19,717	(47)	-0.31%	(47)	-0.24%
GSD/GSDT	51,886	38,416	417	117	90,836	56,516	38,416	417	127	95,476	4,630	8.92%	4,640	5.11%
LP/LPT	31,055	32,975	367	87	64,484	34,443	32,975	367	96	67,881	3,388	10.91%	3,397	5.27%
PX/PXT	14,559	19,484	219	0	34,262	15,028	19,484	219	0	34,731	469	3.22%	469	1.37%
OS I&II	3,757	1,051	10	12	4,830	3,942	1,051	10	13	5,016	185	4.92%	186	3.85%
OS III	336	163	2	1	502	283	163	2	1	449	(53)	-15.77%	(53)	-10.56%
SS	581	65	1	0	647	697	65	1	0	763	116	19.97%	116	17.93%
	\$248,718	\$170,729	\$1,878	\$563	\$421,888	\$274,857	\$170,729	\$1,878	\$623	\$448,087	\$26,139	10.51%	\$26,199	6.21%

Supporting Schedules: E-7, E-16c, E-16d

Recap Schedules:

Note: This schedule does not include service charge revenue.
 Fuel & ECCR include unbilled fuel and ECCR as well as billed fuel & ECCR

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Compare jurisdictional revenue by rate schedule under present and proposed rates for the test year. If any customers are to be transferred from one schedule to another, the revenue and billing determinant information shall be shown separately for the transfer group and not be included under either the new or old classification.

Type of Data Shown:

COMPANY: GULF POWER COMPANY

Projected Test Year Ended 12 / 31 / 90

DOCKET NO.: 891345-E1

Witness: J. L. HASKINS

 UNBILLED KWH PROVIDED PER REQUEST OF STAFF

RATE SCHEDULE	UNBILLED KWH
RS/RST	8,263,881
GS/GST	670,810
GSD/GSDT	3,826,320
LP/LPT	3,154,191
PX/PXT	0
OSI & II	136,606
OSIII	30,329
SS	0
TOTAL	16,082,137

Supporting Schedules:

Recap Schedules:

Note: This schedule does not include service charge revenue.
 Fuel & ECCR include unbilled fuel and ECCR as well as billed fuel & ECCR

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following statistical data for the company by calendar year for the most recent 5 years.

Type of data shown:
 Projected Test Year:
 Prior Years 1984-1988
 Witness: A. E. Scarbrough

COMPANY: GULF POWER COMPANY

DOCKET NO.: 891345-E1

Line No.	Item	(A) 1988	(B) 1987	(C) 1986	(D) 1985	(E) 1984	(F) Average Annual Growth
1	Level and Annual Growth Rates:						
2	Peak Load (MW)	1,613.2	1,617.4	1,677.8	1,517.4	1,381.4	3.48%
3	Peak Load per Customer (KW)	5.81	5.96	6.36	5.99	5.76	-0.42%
4	Energy Sales (MWH)	9,139,246	9,034,935	8,245,764	8,687,730	8,089,278	4.56%
5	Energy Sales per Customer (KWH)	32,889	33,284	31,276	34,321	33,712	0.68%
6	Number of Customers	277,883	271,448	263,646	253,135	239,956	3.92%
7	Installed Generating Capacity (MW)	2,174	2,174	1,969	1,969	1,969	1.89%
8	Population of Service Area	599,760	599,760	599,760	599,760	599,760	0.06%
9							
10	Dollar Amount in Current Dollars, and						
11	Annual Growth Rates for:						
12	Fuel Cost per KWH Generated	1.86	2.08	2.55	2.70	2.60	-7.09%
13	OGH Expense (less fuel) per KWH Sold	1.14	1.19	1.45	1.25	1.16	1.18%
14	Capital Cost per Installed KWH of Capacity	366.19	368.74	308.70	304.46	255.57	4.62%
15	Revenue per KWH Sold	5.29	5.89	6.13	5.82	5.74	-2.56%
16	A&G Expenses per KWH Sold	0.40	0.39	0.37	0.35	0.33	1.33%
17							
18	Dollar Amount in Real Terms (Constant 1988 Dollars), *						
19	And Annual Growth Rates for:						
20	Fuel Cost per KWH Generated	1.86	2.17	2.75	2.97	2.96	-10.29%
21	OGH Expense (less fuel) per KWH Sold	1.14	1.24	1.57	1.37	1.25	-1.47%
22	Capital Cost per Installed KWH of Capacity	366.19	384.00	333.42	334.74	336.55	2.08%
23	Revenue per KWH Sold	5.29	6.13	6.62	6.40	6.54	-5.34%
24	A&G Expenses per KWH Sold	0.40	0.41	0.40	0.38	0.38	-1.13%
25							
26							
27	* Consumer Price Index	1.185	1.136	1.096	1.076	1.039	
28							
29							
30							

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 891345-E1

EXPLANATION: Provide the following statistical data for the company by calendar year for the most recent 5 years.

Type of data shown:
 Projected Test Year:
 Prior Years 1984-1988
 Witness: A. E. Scarbrough

Line No.	Item	(A) 1988	(B) 1987	(C) 1986	(D) 1985	(E) 1984
31	Distribution of Totals:					
32	Generation Plant by Type of Prime Mover (MW):					
33	Steam	2,135	2,135	1,930	1,930	1,930
34	Combustion Turbine	39	39	39	39	39
35	Generation Energy by Type of Fuel:					
36	Nuclear	0.00%	0.00%	0.00%	0.00%	0.00%
37	Coal	99.59	99.62	99.46	99.70	99.74
38	Oil	0.03	0.00	0.02	0.01	0.00
39	Gas	0.38	0.38	0.52	0.21	0.26
40	Other	0.00	0.00	0.00	0.00	0.00
41						
42	Total	100.00%	100.00%	100.00%	100.00%	100.00%
43						
44	Average Customers by Customer Type:					
45	Residential	88.12%	88.18%	88.31%	88.45%	88.51%
46	Commercial	11.79	11.72	11.60	11.45	11.39
47	Industrial	0.07	0.08	0.07	0.07	0.07
48	Street Lighting	0.02	0.02	0.02	0.02	0.02
49	Other Electric Utilization	0.00	0.00	0.00	0.01	0.01
50						
51	Total	100.00%	100.00%	100.00%	100.00%	100.00%
52						
53						
54						
55						
56						
57						
58						
59						
60						

13

FIVE YEAR ANALYSIS - CHANGE IN COST
(Thousands)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule showing the change in cost, by functional group, for the last five years.

Type of data shown:
Prior Years: 1984-1988
Witnesses: A. E. Scarbrough
E. B. Parsons, Jr.
C. R. Lee

COMPANY: GULF POWER COMPANY

DOCKET NO.: 891345-E1

Line No.	Description of Functional Group	Type of Cost	1984		1985		1986		1987		1988	
			Dollars	% Change	Dollars	% Change	Dollars	% Change	Dollars	% Change	Dollars	% Change
1	Fuel	Variable	214,885	8.2	230,944	7.5	215,262	(6.8)	238,176	10.6	208,721	(12.4)
2	Interchange	Semi-Variable	3,557	-	12,913	263.0	14,592	13.0	(23,837)	-	(19,593)	24.2
2	Production	Semi-Variable	35,044	(4.7)	36,355	3.7	43,169	18.7	45,227	4.8	41,497	(8.2)
4	Transmission	Semi-Variable	3,803	11.8	4,284	12.6	4,186	(2.3)	6,080	45.2	5,646	(7.1)
5	Distribution	Semi-Variable	7,825	24.1	11,065	41.4	10,718	(3.1)	13,275	23.9	14,466	9.0
6	Customer Accounting	Semi-Variable	6,517	10.0	6,854	5.2	9,746	42.2	25,734	-	17,254	(33.0)
7	Customer Service,											
8	Information & Sales	Semi-Variable	5,440	24.6	6,582	21.0	6,926	5.2	7,483	8.0	7,946	6.2
9	Administrative & General	Semi-Variable	26,495	(0.3)	30,365	14.6	30,623	0.8	35,187	14.9	36,678	4.2
10	Depreciation & Amortization	Fixed	33,061	5.0	37,775	14.3	39,386	4.3	44,619	13.3	47,530	6.5
11	Taxes	Semi-Variable	57,527	3.1	62,947	9.4	64,802	2.9	57,949	(10.6)	53,326	(8.0)
12	Interest (B/D AFUDC)	Semi-Variable	39,957	9.1	42,176	5.6	40,941	(2.9)	40,291	(1.6)	39,187	(2.7)
13												
14	Total		434,111	9.6	482,260	11.1	480,351	(0.4)	488,184	1.6	452,656	(7.3)
15												
16												
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FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO. 891345-E1

EXPLANATION: Provide a summary of jurisdictional rate base as requested for the test year as compared to jurisdictional rate base as determined by the Commission in the previous full rate case.

Type of Data Shown:
 Historic Test Year Ended
 Projected Test Year Ended 1999
 Prior Test Year Ended 1994
 Witness: R. J. McMillan
 A. E. Scarborough

Line No.	Item	(A) Jurisdictional Rate Base as Requested by Company in Current Case (000)	(B) Jurisdictional Rate Base as Determined by Commission in Last Case (000)	(C) Dollar Difference (000)	(D) Percentage Difference (%)	(E) Compound Annual Growth Rate (%)
1	Plant-in-Service	1,275,624	782,846	492,778	62.95	8.40
2	Accumulated Provision for Depreciation and Amortization	654,964	243,116	211,800	87.16	11.01
3	Net Plant-in-Service	820,660	539,730	280,976	52.64	7.24
4	Plant Held for Future Use	3,923	3,969	(46)	(1.11)	(0.19)
5	Construction Work-in-Progress - on 6/30/95	14,949	7,894	7,055	89.37	11.23
6	Plant Acquisition Adjustment	2,317	0	2,317	100.00	-
7	Total Net-Plant	841,853	551,599	290,252	52.43	7.30
8	Total Working Capital	81,711	74,053	7,658	16.54	1.65
9	Other Rate Base Adjustments	0	0	0	0.00	0.00
10	Total Rate Base	923,562	625,652	297,910	47.63	6.71

SUMMARY OF JURISDICTIONAL NET OPERATING INCOME

FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: GULF POWER COMPANY
DOCKET NO. 891345-61

EXPLANATION: Provide a summary of jurisdictional net operating income requested for the test year as compared to jurisdictional net operating income as determined by the Commission in the previous full rate case.

Type of Data Shown:
 Historic Test Year Ended
 Projected Test Year Ended 1990
 Prior Test Year Ended 1984
 Witness: R. J. McMillan
 A. E. Scarborough

Line No.	Item	(1) Jurisdictional Net Operating Income as Requested by Company in Current Case Excluding Fuel and Conservation 12 Months Ended 12/31/89 (000)	(2) Jurisdictional Net Operating Income as Determined by Commission in Last Case Excluding Fuel and Conservation 12 Months Ended 12/31/84 (000)	(3) Boiler Difference (000)	(4) Percentage Difference (1)	(5) Compound Annual Growth Rate (1)
1	Operating Revenues	255,380	199,069	56,371	28.43	4.26
2	Operation and Maintenance Expense Total	0	0	0	0.00	0.00
2a.	Fuel	(4,943)	(1,924)	(3,039)	(157.95)	(17.11)
2b.	Purchased Power	119,345	71,351	46,794	65.60	8.75
2c.	Other	113,382	69,627	43,755	62.84	8.47
2d.	Total	67,781	29,427	18,274	62.16	8.38
3	Depreciation and Amortization	20,622	12,624	7,998	62.37	8.41
4	Taxes Other Than Income Taxes	12,745	28,483	(15,718)	(55.18)	(12.52)
5	Income Taxes	0	0	0	0.00	0.00
6	Loss on Sale or Disposal of Plant	194,679	140,341	54,309	38.69	5.60
7	Total Operating Expenses	60,910	58,648	2,262	3.84	0.43
8	Operating Income	194,470	140,648	53,822	38.28	5.58

Supporting Schedules: C-2
 Rates Schedules: A-1a, A-2

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION List all adjustments made to operating income or rate base in the previous full revenue requirement case that are not included in the current case, with an explanation for not including these adjustments.

COMPANY: GULF POWER COMPANY

WITNESS: R. J. Scullion
A. E. Scarborough

SECRET NO. 891345-41

Line No.	(1) Nature of Adjustment	(2) Amount of Adjustment (000's)	(3) Explanation and Supporting Schedule	(4) Increase/Decrease in Revenue Requirement (000's)
NET WAGE ADJUSTMENTS				
1	Net Plant-in-Service - Revised Plant Forecast	0	The forecast of Plant-in-Service, CBIP, Plant Held for Future Use, and Accumulated Depreciation is reasonable. No adjustment is necessary.	0
2	Net Plant-in-Service - Salt Ash Storage Project	0	The Salt Ash Storage Project cleared to service in 1986 and is properly included in Rate Base.	0
3	Net Plant-in-Service - Reduction in amount of AFUDC Capitalized	0	No adjustment is necessary since the prior level of CBIP was used in calculating AFUDC in the test year.	0
4	Net Plant-in-Service - Denifer and Carville Offices	40	No adjustment is necessary since construction of these facilities was credited and achieved at a reasonable cost.	4
5	Net Plant-in-Service - Lorraine Lohan	103	No adjustment is necessary since these facilities are used and useful and will remain so.	16
6	Net Plant-in-Service - Plant Diesel Coal Cars	0	No adjustment is necessary since the Diesel Coal Cars have been retired.	0
7	Escambia Deposition Functions (Free CBIP to Net Plant-in-Service)	0	No adjustment is necessary since the substation was placed in service in 1984 and is properly included in Rate Base.	0
8	Accumulated Depreciation - Bus Depreciation Rates	0	The depreciation rates recently approved by the Commission on 8/20/88 are used in the budget. No adjustment is necessary.	0
9	Declarer CBIP	0	There is no balance in CBIP related to Plant Declarer. It is now in Plant-in-Service.	0
10	Carville Land in Plant Held for Future Use and CBIP	0	There is no Carville Land in CBIP. Expenditures for Carville Land were prudent and are included in PWU in the Rate Base. No adjustment is necessary.	0

FLORIDA PUBLIC SERVICE CORPORATION List all adjustments made to operating income or rate base in the previous full revenue requirement case that are not included in the current case, with an explanation for not including these adjustments.

COMPANY: GULF POWER COMPANY
 PROJECT NO. 091340-E1

Type of Rate Base:
 Historic Test Year Ended
 Projected Test Year Ended 1990
 Prior Year Ended
 Witness: R. J. McMillan
 A. E. Scarborough

Line No.	(1) Nature of Adjustment	(2) Amount of Adjustment (\$000's)	(3) Explanation and Supporting Schedule	(4) Increase/Decrease in Revenue Requirement (\$000's)
11	General Office and General Research Facility Land - Re-class from CRIP to Plant Held for Future Use	0	Land related to these facilities is properly included in Plant Held for Future Use in the Rate Base. No adjustment is necessary.	0
12	Net Investment in Unavailable Oil and Base Coal	0	No adjustment is necessary since the investment has been written off in prior years.	0
13	Working Capital - Cash	0	Cash balances included in the budget were properly forecasted. No adjustment is necessary.	0
14	Working Capital - Unamortized Nuclear Site	0	No adjustment is necessary since the investment has been written off in prior years.	0
15	Working Capital - Unamortized Deferred O&M	0	No O&M Expense is being deferred and no Unamortized Deferred O&M is included in Working Capital. No adjustment is necessary.	0
16	Working Capital - Accrued Obligated Revenue & Customer Accounts Receivable	0	Adjustment in lost case was made to correspond with an adjustment to the revenue forecast. No adjustment is necessary since revenues and the associated Working Capital accounts are properly forecasted.	0
17	Working Capital - Unamortized Rate Base Expense	765	No adjustment is necessary since the Unamortized Rate Base Expense is properly included in Rate Base.	800
18	Working Capital - Deferred Credit Related to Fuel & Conservation Over Recoveries	0	Deferred Debits or Credits related to over or under recoveries of Fuel and Conservation Revenues should not be included in Working Capital since interest expense or income related to the over or under recoveries are accounted for through the Fuel Clause.	0
19	Working Capital - Fuel Stock	0	No adjustment is necessary since the projected level of Fuel Stock for the test year is reasonable and prudent.	0

PLUMBIA PUBLIC SERVICE COMMISSION EXPLANATION List all adjustments made to operating income or rate base in the previous full revenue requirement case that are not included in the current case, with an explanation for not including these adjustments.

Type of Rate Base:
 Historic Test Year Ended
 Projected Test Year Ended 1990
 Prior Year Ended
 Witness: R. J. DeMillo
 A. E. Kerkrough

PROJECT NO. 871345-21

Line No.	(1) Nature of Adjustment	(2) Amount of Adjustment (000's)	(3) Explanation and Supporting Schedule	(4) Increase/Decrease in Revenue Requirement (000's)
NET OPERATING INCOME ADJUSTMENTS				
20	Base Rate Revenue Forecast Adjustment	0	The adjustment is necessary since Gulf's revenues are properly forecasted.	0
21	Profit on Supplemental & Alternate Energy Sales	0	The adjustment is necessary since the profits on Supplemental and Alternate Energy Sales are allocated to territorial customers in the test year.	0
22	Schedule E Capacity Revenue	0	The adjustment is necessary since last year revenues properly reflect budgeted Schedule E contract sales.	0
23	Gas Expense (after than adjustments included on Schedule C-2)	0	The adjustment is necessary since Gulf's projected level of Gas Expense is reasonable and prudent. The 1989 budget incorporates the latest CPJ data available at the time the budget was prepared.	0
24	Depreciation Expense - Bus Depreciation Rates	0	The depreciation rates recently approved by the Commission on 8/20/89 are used in the budget. The adjustment is necessary.	0
25	Depreciation Expense - Revised Plant Forecast	0	The forecast of Plant-to-Services and related Depreciation Expense is reasonable. The adjustment is necessary.	0
26	Depreciation Expense - South Ash Storage Project	0	The South Ash Storage Project cleared to service in 1988a related depreciation expense amounts are properly forecasted and included in M1.	0
27	Amortization of Savannah's Oil, Gas Coal, Nuclear Sites, and Carrollville Site	0	The adjustment is necessary since these investments have been written off in prior years.	0
28	Depreciation Expense - Qualify and Greenville Offices	1	The adjustment is necessary since construction of these facilities was prudent and achieved at a reasonable cost and the related Depreciation Expense is properly forecasted.	1

Supporting Schedules:

See also Schedules:

FLORIDA PUBLIC SERVICE COMMISSION **EXPLANATION:** List all adjustments made to operating income or rate base in the previous full revenue requirement case that are not included in the current case, with an explanation for not including these adjustments.

COMPANY: GULF POWER COMPANY

SECRET NO. 091345-41

Line No.	(1) Nature of Adjustment	(2) Amount of Adjustment (000's)	(3) Explanation and Supporting Schedule	(4) Increase/Decrease in Revenue Requirement (000's)
27	Depreciation Expense - Leases	3	No adjustment is necessary since these facilities are used and useful and will remain so.	3
28	Amortization of ITC	0	No adjustment is necessary since the proper life is being used for amortization of ITC.	0
31	Other Taxes - FPSC Assessment Fee	0	The revenue taxes included in MR reflect the currently approved rate of 1/8 % for the FPSC Assessment Fee. No adjustment is necessary.	0

Type of Rate Status:
 Historic Test Year Ended 1990
 Projected Test Year Ended 1990
 Prior Year Ended
 Witness: R. J. Schillem
 A. E. Scarborough

SUMMARY OF JURISDICTIONAL CAPITAL STRUCTURE

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

BUCKET NO. 091345-21

EXPLANATION: Provide a summary of jurisdictional capital structure as requested for the test year as compared to the jurisdictional capital structure as determined by the Commission in the previous rate case.

Type of Data Shown:
 Historic Test Year Ended 1990
 Projected Test Year Ended 1990
 Prior Test Year Ended 1984
 Witness: R. J. McMillan
 A. E. Scarborough

LINE NO.	(1) Capital Structure Item	(2) Jurisdictional Capital Structure in Current Case Test Year Ended 12/31/90 (000)	(3) Jurisdictional Capital Structure as Determined by Commission in Last Case - Test Year Ended 12/31/84 (000)	(4) Dollar Difference (000)	(5) Percentage Difference (%)	(6) Composed Annual Growth Rate (%)
1	Long-Term Debt	329,936	289,192	60,744	22.57	3.65
2	Short-Term Debt	4,290	5,074	(1,604)	(27.21)	(5.16)
3	Preferred Stock	55,316	54,242	1,074	1.98	0.33
4	Common Equity	293,605	173,641	120,014	69.12	9.15
5	Customer Deposits	15,659	9,230	6,429	69.65	9.21
6	Accumulated Deferred Income Taxes - Zero Cost	182,959	89,828	102,101	126.27	14.30
7	Investment Credit - Zero Cost	831	1,304	(473)	(36.27)	(7.23)
8	Investment Credit - Weighted Cost	69,916	31,241	38,675	39.97	4.60
9	Total Capital	923,562	625,662	297,900	47.63	6.71

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

BUCKET NO. 091945-E1

EXPLANATION: Provide a summary of jurisdictional capital cost rates as requested for the test year as compared to jurisdictional capital cost rates as determined by the Commission in the previous rate case.

Type of Rate Shown:
 Historic Test Year Ended
 Projected Test Year Ended 1990
 Prior Test Year Ended 1984
Witness: B. J. McMillan
 A. E. Scarborough

Line No.	(1) Capital Structure Item	(2) Jurisdictional Cost Rates in Current Rate Case-Test Year Ended 12/31/89 (12)		(3) Jurisdictional Cost Rates per Last Rate Case Test Year Ended 12/31/84 (13)		(4) Difference (12)	(5) Percentage Difference (1)	(6) Compound Annual Growth Rate (2)
1	Long-Term Debt	8.72	9.24	9.24	(0.52)	(5.63)	(0.96)	
2	Short-Term Debt	8.00	9.20	9.20	(1.20)	(13.00)	(2.30)	
3	Preferred Stock	7.75	8.65	8.65	(0.90)	(10.40)	(1.81)	
4	Customer Deposits	7.65	7.88	7.88	(0.23)	(2.92)	(0.49)	
5	Common Equity	13.00	13.60	13.60	(0.60)	(4.62)	(0.87)	
6	Investment Credit - Zero Cost	-	-	-	-	-	-	
7	Investment Credit - Weighted Cost	10.49	9.75	9.75	0.74	7.09	1.23	
8	Accumulated Deferred Income Taxes - Zero Cost	-	-	-	-	-	-	

SUMMARY OF FINANCIAL INTEGRITY INDICATORS

Schedule A-12:

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide financial indicators for:
 (1) the requested test year, and
 (2) the best year used in the last rate case.
 COMPANY: GULF POWER COMPANY
 Docket No.: 071243 - E1
 Witness: A.E. Scarborough
 R.J. McMillan

Line No.	Indicator	(1) Test Year 1990	(2) Actual Last Rate Case 1989	(3) Difference (2)-(1)	(4) Percent Difference (4)/(3)	Type of Data Shown: Historical Test Year Ended Projected Test Year Ended 1990 Prior Year Ended
INTEREST CHARGE RATIOS:						
1.	Including AFUC in Income Before Interest Charges	2.60	3.15	(0.55)	-17.46%	
2.	Excluding AFUC from Income Before Interest Charges	2.60	3.00	(0.40)	-15.38%	
3.	AFUC as a Percent of Income Available for Common	0.01%	11.07%	(0.1106)	-99.91%	
4.	Percent of all Funds Generated Internally	106.17%	87.03%	0.1912	21.96%	
PREFERRED DIVIDEND COVERAGE:						
5.	Including AFUC	7.36	13.57	(6.21)	-45.76%	
6.	Excluding AFUC	7.36	12.6	(5.24)	-41.39%	
RATIO OF EARNINGS TO FIXED CHARGES:						
7.	Including AFUC	2.52	3.15	(0.63)	-20.00%	
8.	Excluding AFUC	2.52	3.00	(0.48)	-16.00%	
EARNINGS PER SHARE:						
9.	Including AFUC	Not Applicable	Not Applicable			
10.	Excluding AFUC	Not Applicable	Not Applicable			
11.	Dividends Per Share	Not Applicable	Not Applicable			

Supporting Schedules: B-11b, B-11c
 Recap Schedules B-11a

Florida Public Service Commission	Explanation: Provide a description of all parent, subsidiary and affiliated company relationships, with a discussion of investments transactions, pricing policies and proposed treatment for rate making purposes.	Type of data shown: Projected Test Year Prior Year Witness
Company: GULF POWER COMPANY		1990 1989 E. B. Parsons, Jr.
Docket No. 891345-E1		

Gulf Power Company is a wholly owned subsidiary of The Southern Company which is the parent company of five operating companies, a system services company, a marketing company, and an investment company. The operating companies are engaged in the business of providing electric utility service in four southeastern states, Mississippi, Alabama, Georgia, and Florida. Operating contracts among the companies covering interconnection arrangements, interchange of electric power and joint ownership of generating facilities, are subject to regulation by the Federal Energy Regulatory Commission (FERC), or the Securities and Exchange Commission. Southern Company Services, Inc., the system services company provides, at cost, technical and other specialized services to the parent company and to each of the subsidiary operating companies. Southern Electric International has been authorized by the SEC to market the technical expertise of the Southern electric system in planning and operating electric power facilities. The Southern Investment Group, Inc., researches and develops new business and investment opportunities. Other operating companies are Alabama Power Company, Georgia Power Company, Mississippi Power Company and Savannah Electric and Power Company.

The parent company is registered as a holding company under the Public Utility Holding Company Act of 1935 and its subsidiaries are subject to the regulatory provisions of the Act. The Company is also subject to regulation by the FERC and the Florida Public Service Commission (FPSC) and follows generally accepted accounting principles and the accounting policies and practices prescribed by these commissions.

FINANCIAL AND STATISTICAL REPORT

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the most recent financial and Statistical Report furnished as a supplement to the Annual Report to Shareholders (or similar document).

Type of Data Shown:

Projected Test Year Ended 12/31/90

Prior Test Year Ended 12/31/89

Witness: A. E. Scarborough

COMPANY: GULF POWER COMPANY

DOCKET NO.: 89134S-E1

Attached is the Company's 1978-1988 financial and Statistical Review.

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This report has been prepared for information purposes and is not intended for use in connection with any sale or purchase of, or any solicitation of offers to buy or sell, securities. All financial statements herein should be considered in conjunction with notes in the company's annual reports.

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Gulf Power Company
 500 Bayfront Parkway
 Pensacola, Florida 32501
 (904) 444-8111

Gulf Power Company is an investor-owned electric utility serving approximately 7,400 square miles in northwest Florida. The Southern Company is the parent company for Gulf Power as well as Alabama Power, Georgia Power, Mississippi Power and Savannah Electric and Power. These companies, together with certain service and special-purpose subsidiaries, comprise the Southern electric system.

A copy of Form 10-K as filed with the Securities and Exchange Commission will be provided upon written request to the office of the Corporate Secretary.

For additional information, contact Mr. Earl V. Lee, Controller.

**Transfer Agent and Registrar
 for Preferred Stock**

**Continental Stock Transfer
 & Trust Company**
 72 Resde Street
 New York, N.Y. 10007

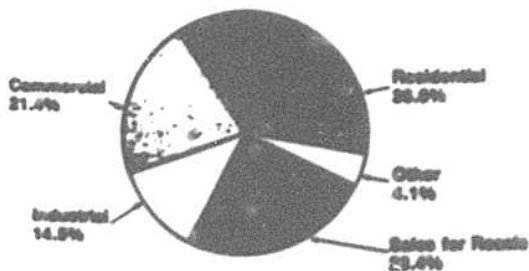
Summary

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

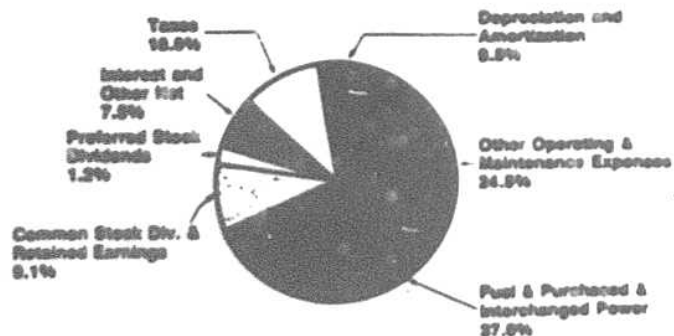
Gulf Power Company	Years Ended Dec. 31,		Rate of Growth		
	1988	1987	Year 1988	5 Years # 1984-88	10 Years # 1979-88
Kilowattour Sales (Thousands)	9,139,246	9,034,535	1.2%	4.4%	6.0%
Maximum Peak - Hour Demand (Kilowatts) ..	1,613,300	1,617,400	(0.3)	4.4	3.2
Gross Property Additions (Thousands)	\$67,042	\$97,511	(31.2)	(0.3)	4.1
Customers — End of Year	276,747	273,544	2.3	3.8	4.1
Employees	1,801	1,803	(0.1)	2.2	2.7
Residential Operating Statistics:					
Average Annual Kilowattour Use					
per Customer	12,883	12,763	0.9	1.3	(0.3)
Average Annual Revenue per Customer ...	\$751.60	\$834.31	(9.9)	(1.3)	4.1
Average Revenue per Kilowattour					
(Cents)	5.83	6.54	(10.9)	(2.6)	4.4
Operating Revenues (Thousands)	\$502,487	\$531,905	(5.5)	3.2	10.3
Operating Expenses (Thousands)	\$413,489	\$447,893	(7.7)	3.1	10.2
Net Income after Dividends on					
Preferred Stock (Thousands)	\$45,686	\$42,217	8.2	4.1	14.1
Return on Average Common Equity					
(Percent)	13.41	13.23	1.4	(2.5)	4.9
Coverage Ratios:					
Mortgage Indenture	3.27	3.67	(10.9)	3.7	3.9
Charter	1.80	1.81	(0.6)	0.1	2.2
First Mortgage Bond Ratings:					
Moody's Investors Service, Inc.	A1	A1			
Standard and Poor's Corporation	A	A			
Duff & Phelps, Inc.	4	4			
Preferred Stock Ratings:					
Moody's Investors Services, Inc.	a1	a1			
Standard and Poor's Corporation	A-	A-			
Duff & Phelps, Inc.	5	5			

#Compound annual rate based on least squares methods.

Where It Came From:



Where It Went:





Profile of Gulf Power Company

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Gulf Power Company (GULF) is one of the operating companies which make up the Southern electric system. Planning and operation of the vast generating and transmission facilities in the four state area as one completely integrated electrical system inherently provides significant operating and economic advantages for each member as well as the system as a whole.

History

GULF was incorporated November 2, 1925, under the laws of the State of Maine and admitted to do business in the State of Florida on January 15, 1926.

GULF became an actual operating public utility on February 6, 1926, following the purchase of the Chipley Light and Power Company. In May of the same year, the Pensacola Electric Company merged with GULF. At the end of the company's first year of operation its service area was limited to Pensacola and Chipley.

In 1945, the company took its first giant step toward generating self-sufficiency as the first unit at Crist Steam Plant went on line with a generating capacity of 22,500 kilowatts. Previously all electricity coming into the service area was supplied by the holding company through transmission tie-lines with Alabama Power Company.

Today

GULF is engaged in the generation and purchase of electric energy and the distribution and sale of such energy to over 279,000 customers within 71 communities and rural areas over a territory of some 7,400 square miles in the Florida panhandle. The principal urban areas served at retail by the company are Pensacola, Fort Walton, and Panama City. GULF's customers are provided with electricity from three generating plants located in northwest Florida, which are wholly-owned by GULF, a fourth plant located in Mississippi of which GULF holds a 50 percent interest, and a fifth plant located in Georgia of which GULF holds a 25 percent interest of Unit No. 3. The total aggregate generating capacity of the five plants is 2,173,900 kilowatts.

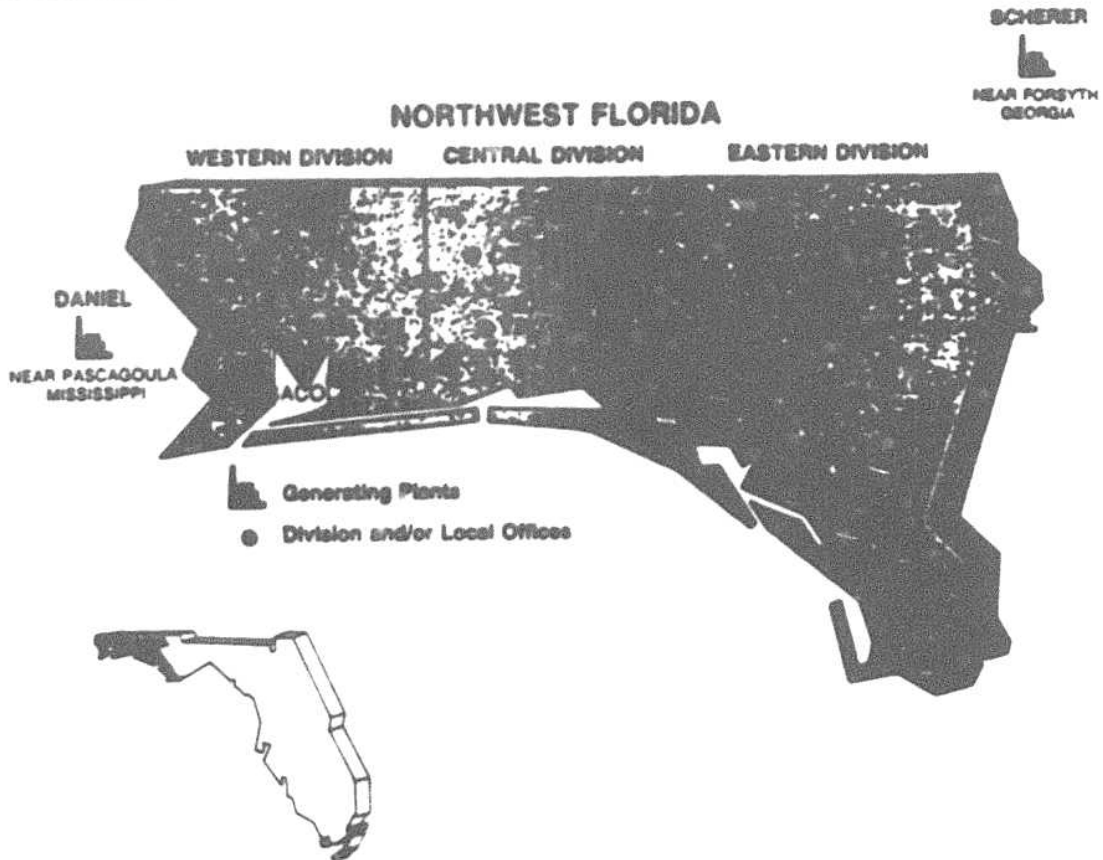
GULF's generating facilities and transmission network are interconnected with and are a part of the Southern electric system, which also serves most of Alabama, Georgia, and southeast Mississippi. The GULF system is also interconnected at two points with that of Florida Power Corporation. As of December 31, 1988, the GULF network consisted of 1,521 miles of high voltage transmission lines, 4,987 pole miles of lower voltage distribution lines, 539 trench miles of underground conduit, and 120 electric substations with a total installed capacity of 8,179,267 kilovolt amperes.

During 1988, the average GULF residential customer consumed 12,883 kilowatt-hours of electricity at an average rate of 5.83 cents per kilowatt-hour. The company's maximum demand from its customers for the year occurred on June 28, 1988, when during a one hour period 1,613,200 kilowatts were recorded.

GULF has built and maintains one of the most reliable electric systems in the nation in order to serve the growing needs of our service area. GULF's investment in electric facilities area-wide, and our investment in the communities we serve reflects our strong commitment to provide dependable electric service to our customers.

Gulf Power's Electric System

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough



Nameplate Generating Capacity

(Year-End 1988)

Fossil Plants	<u>Kilowatts</u>
Crist	1,045,000
Daniel	500,000
Scherer	204,500
Scholz	80,000
Smith	305,000
Total	<u>2,134,500</u>
Gas Turbine Plant	
Smith	<u>39,400</u>
Total Capacity	<u>2,173,900</u>

Regulatory Commissions

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Retail Rates

GULF is subject to the jurisdiction of the Florida Public Service Commission (FPSC) which has broad powers of supervision and regulation over public utilities operating in Florida, including their rates and service regulations.

The five commissioners of the FPSC are appointed for a 4-year term by the Governor subject to the approval of the State Senate.

Members of this Commission are:

<u>Name</u>	<u>Term Began</u>	<u>Expiration of Term</u>
Michael M. Wilson (Chairman)	July, 1985	December 31, 1989
Thomas M. Beard	March, 1987	December 31, 1989
Betty Easley	January, 1989	December 31, 1992
Gerald L. Gunter	January, 1979	December 31, 1990
John T. Herndon	January, 1986	December 31, 1990

Under Florida Law, a utility is required to give 60 days notice to the FPSC of a change in rates. Then the FPSC may suspend the effective date for up to eight months. In the absence of FPSC action, the rates automatically become effective on the prescribed date.

Wholesale Rates

GULF is regulated by the Federal Energy Regulatory Commission (FERC) as a company engaged in the transmission or sale at wholesale of electric energy in interstate commerce, including regulation of accounting policies and practices.

GULF is required by the FERC to submit wholesale rate increase requests 60 days prior to the requested effective date. The FERC may then suspend the filed rates for up to five months.

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Rate Cases

Retail

Date of Filing	Revenues Requested		Amount Granted (Millions)	Effective Date	Allowed Return on Common Equity (1)
	Amount (Millions)	Percent Increase			
December, 1977	812.6	7.6%	\$ 6.7#	May, 1978	#
			10.9	September, 1978	13.50
March, 1980	46.3	22.5	6.3#	May, 1980	#
			40.0	December, 1980	14.85
May, 1981	36.6	12.4	5.5	February, 1982	
			1.4	June, 1982	15.85
June, 1982	36.9	10.8	3.4	January, 1983	15.85
April, 1984	18.8	5.5	4.7	December, 1984	15.60(3)
November, 1986	25.8	6.3	—	—	—

Wholesale

Date of Filing	Revenues Requested		Amount Granted (Millions)	Effective Date	Allowed Return on Common Equity (1)
	Amount (Millions)	Percent Increase			
July, 1980	65.3	33.0%	63.9	March, 1981	—(2)
July, 1982	1.3	7.3	0.7	March, 1983	16.00%
December, 1985	(0.3)	(1.4)	(0.3)	January, 1986	16.00
July, 1987	(0.6)	(3.7)	(0.6)	July, 1987	16.00

Notes:

Indicates interim or emergency retail rate relief.

- (1) Achieved Jurisdictional Return on Common Equity on a basis consistent with the various Orders of the FPSC (Percent): 1978 — 12.35, 1979 — 11.36, 1980 — 4.58, 1981 — 10.19, 1982 — 14.43, 1983 — 13.24, 1984 — 14.23, 1985 — 15.27, 1986 — 15.07, 1987 — 13.80, 1988 — 13.64.
- (2) The rate case was approved by the FERC on basis of a settlement agreement between the customers and GULF. Return on common equity was not specified in the settlement agreement nor by the FERC.

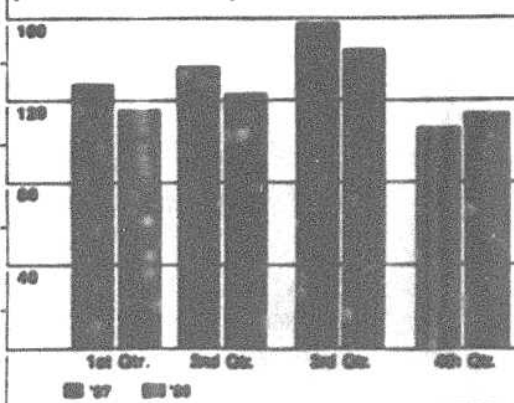
- (3) On January 20, 1987, the FPSC approved a 13.60% return on equity for the company to be used instead of the 15.60% midpoint allowed in the company's last rate case. This new return was to be used for the income tax rule in 1987 only. On December 1, 1987, the FPSC approved a 13.75% return on equity for the company to be used in 1988.

Statements of Income

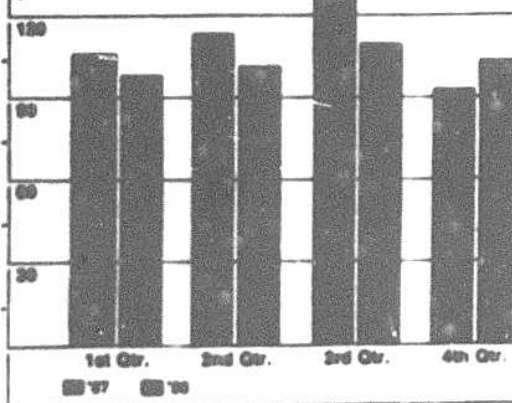
Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Years Ended December 31,	1988	1987	1986
(Thousands of Dollars)			
Operating Revenues	5602,497	5531,906	5515,906
Operating Expenses:			
Operation —			
Fuel	208,721	238,178	215,262
Purchased and Interchanged Power, Net	(19,595)	(25,837)	14,592
Other	61,848	84,238	70,117
Maintenance	41,919	38,749	35,251
Depreciation	48,335	48,612	40,928
Amortization —			
Deferred Investment Tax Credits	(2,285)	(2,445)	(1,993)
Nuclear Study and Caryville Cancellation	—	—	—
Other	4,480	452	451
Taxes Other Than Income Taxes	27,067	28,246	24,854
Federal Income Taxes	25,095	27,401	35,355
State Income Taxes	1,234	4,302	4,593
Total Operating Expenses	413,459	447,893	439,410
Operating Income	60,028	64,612	76,396
Other Income (Expense):			
Allowance for Equity Funds Used During Construction	467	1,013	7,809
Other, Net	353	2,503	720
Income Before Interest Charges	60,828	67,528	84,925
Interest Charges:			
Interest on Long-Term Debt	36,962	38,385	39,479
Allowance for Debt Funds Used During Construction	(898)	(1,004)	(8,851)
Interest on Interim Obligations	—	—	—
Other Interest Charges	2,225	1,905	1,463
Net Interest Charges	38,289	39,290	41,793
Net Income	22,539	28,238	43,132
Dividends on Preferred Stock	6,761	6,625	6,213
Net Income After Dividends on Preferred Stock	\$ 15,778	\$ 21,613	\$ 36,919

Operating Revenues, Quarterly
 (Thousands of Dollars)

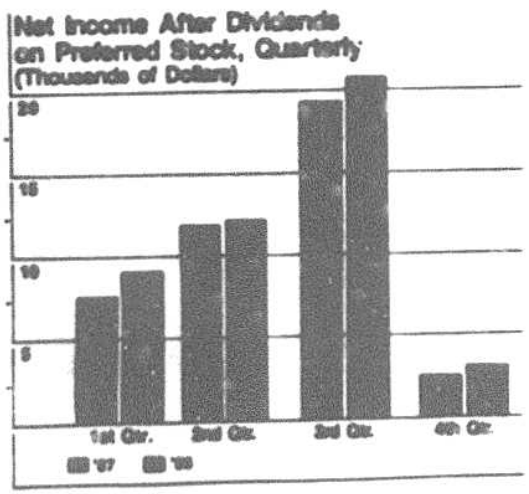
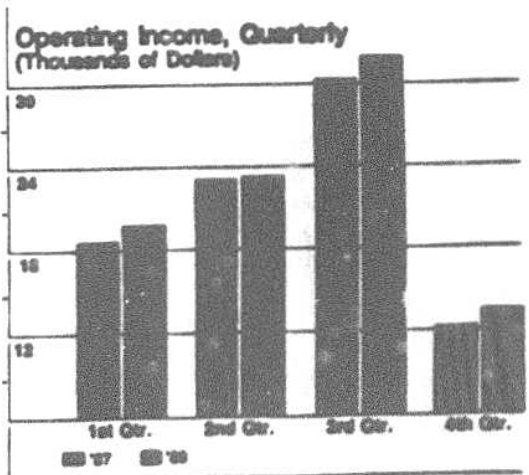


Operating Expenses, Quarterly
 (Thousands of Dollars)



Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

1985	1984	1983	1982	1981	1980	1979	1978
<u>8518,224</u>	<u>8476,100</u>	<u>8433,410</u>	<u>8387,365</u>	<u>8321,197</u>	<u>8286,714</u>	<u>8229,082</u>	<u>8214,220</u>
230,844	214,885	198,554	182,874	188,482	122,234	114,229	102,804
12,913	3,557	(9,861)	(43,822)	(42,382)	8,134	(8,927)	(4,908)
59,851	58,362	54,967	43,527	42,715	31,813	26,981	22,243
36,654	28,773	28,578	22,274	24,237	17,746	16,534	15,170
37,528	33,520	31,254	29,954	26,018	22,112	20,803	17,458
(2,055)	(1,650)	(1,587)	(1,502)	(835)	(783)	(700)	(522)
1,882	855	1,446	2,182	2,177	2,201	1,385	—
440	378	378	378	378	157	—	—
22,888	21,888	21,370	20,080	17,223	13,146	11,429	11,489
35,185	31,959	30,837	29,083	23,015	11,722	13,363	15,838
4,878	3,872	3,997	3,533	2,661	1,402	1,599	1,733
<u>440,884</u>	<u>394,158</u>	<u>389,321</u>	<u>388,888</u>	<u>383,677</u>	<u>239,233</u>	<u>188,888</u>	<u>181,205</u>
78,148	75,845	74,888	68,888	57,830	37,831	32,388	33,015
6,883	2,877	679	688	972	4,886	4,084	3,074
1,242	4,549	3,385	1,855	2,533	1,481	1,085	770
<u>68,275</u>	<u>83,371</u>	<u>78,133</u>	<u>71,219</u>	<u>61,828</u>	<u>43,878</u>	<u>37,515</u>	<u>36,869</u>
40,788	38,882	35,718	32,440	30,338	27,441	19,877	16,178
(7,878)	(3,281)	(843)	(803)	(778)	(4,378)	(2,881)	(2,064)
—	—	—	—	—	174	91	139
1,407	3,004	911	1,822	635	578	624	853
<u>34,580</u>	<u>36,885</u>	<u>35,887</u>	<u>33,588</u>	<u>30,188</u>	<u>22,915</u>	<u>17,701</u>	<u>15,184</u>
51,775	48,878	42,848	37,888	38,838	28,183	18,814	21,785
6,291	6,349	6,538	6,571	6,894	6,688	6,402	4,770
<u>\$ 48,484</u>	<u>\$ 40,336</u>	<u>\$ 35,811</u>	<u>\$ 31,888</u>	<u>\$ 24,138</u>	<u>\$ 13,883</u>	<u>\$ 14,412</u>	<u>\$ 18,885</u>



Statements of Cash Flows

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Years Ended December 31,	1988	1987	1986
Operating Activities:			
Net Income	\$ 51,459	\$ 48,242	\$ 52,634
Adjustments to reconcile net income to net cash provided by operating activities --			
Depreciation and Amortization	58,292	51,672	41,519
Deferred Income Taxes	16,139	2,377	45,213
Deferred Investment Tax Credit	—	868	1,634
Allowance for Equity Funds Used During Construction	(457)	(1,013)	(7,809)
Other, net	9,494	12,913	5,880
Changes in Current Assets and Liabilities			
(Increase) Decrease Receivables, net	6,984	(8,849)	(6,012)
(Increase) Decrease Fossil Fuel Stock	(18,848)	23,853	4,105
(Increase) Decrease Materials and Supplies	(4,164)	(2,804)	(5,447)
Increase (Decrease) Accounts Payable, net	(4,995)	10,496	449
Increase (Decrease) Other, net	(14,880)	8,850	(112)
Net Cash Provided From Operating Activities	88,323	146,596	132,133
Investing Activities:			
Gross Property Additions	(87,842)	(87,511)	(90,180)
Adjustments to Gross Property Additions, net	697	(882)	7,029
Deferred Coal Contract Costs	(88,000)	—	(80,663)
Other Investing Activities	(3,824)	(313)	(2,018)
Net Cash Used for Investing Activities	(130,258)	(88,516)	(145,812)
Financing Activities:			
Proceeds:			
Capital Contributions from Parent Company	25,000	—	—
Preferred Stock	—	—	—
First Mortgage Bonds	36,000	—	50,000
Pollution Control Bonds	3,677	35,996	9,900
Other Long-Term Debt	—	—	60,663
Redemptions:			
Preferred Stock Subject to Mandatory Redemption	(1,788)	(2,500)	(750)
First Mortgage Bonds	(9,388)	—	(46,640)
Pollution Control Bonds	(36)	(32,050)	(50)
Other Long-Term Debt	(5,175)	(4,774)	—
Payment of Common Stock Dividends	(28,480)	(34,200)	(33,100)
Payment of Preferred Stock Dividends	(5,781)	(8,025)	(6,213)
Miscellaneous	(220)	(1,532)	(6,064)
Net Cash Provided from Financing Activities	6,962	(48,188)	27,746
Net Increase (Decrease) in Cash and Temporary Cash Investments	\$ (25,984)	\$ 2,894	\$ 14,067
Supplemental Cash Flow Information:			
Cash Paid During the Year for Interest (net of amount capitalized)	\$ 36,160	\$ 37,006	\$ 25,860
Cash Paid During the Year for Income Taxes	\$ 21,443	\$ 32,130	\$ (6,602)

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

1988	1984	1983	1982	1981	1980	1979	1978
\$ 51,775	\$ 48,878	\$42,048	\$37,880	\$30,830	\$ 20,163	\$19,814	\$21,755
39,585	34,784	32,975	32,358	28,729	24,288	21,890	17,247
18,487	3,877	11,898	10,421	8,937	6,982	13,748	7,839
5,718	10,667	2,292	5,067	10,883	4,506	8,137	5,054
(8,893)	(2,877)	(879)	(868)	(972)	(4,686)	(4,084)	(3,074)
(2,536)	243	7,382	(5,010)	21,200	3,788	(5,804)	(303)
(5,401)	19,173	(32,366)	900	(3,782)	(3,820)	(5,508)	(2,425)
2,149	6,350	3,194	888	(28,710)	(28,023)	599	2,740
(279)	(4,287)	1,878	(3,014)	(1,770)	(2,573)	(2,304)	(2,319)
1,758	801	4,839	(9,222)	213	(9,713)	(8,898)	6,982
(13,331)	11,189	4,432	8,215	4,091	3,988	(5,963)	3,316
<u>91,919</u>	<u>128,388</u>	<u>78,877</u>	<u>77,585</u>	<u>67,449</u>	<u>17,834</u>	<u>31,127</u>	<u>86,592</u>
(92,541)	(156,443)	(51,131)	(50,300)	(64,988)	(94,231)	(89,614)	(30,989)
8,078	2,347	1,809	(130)	2,044	4,310	3,785	2,975
—	—	—	—	—	—	—	—
1,815	(281)	(208)	(568)	(888)	(87)	229	(150)
<u>(84,848)</u>	<u>(184,357)</u>	<u>(49,539)</u>	<u>(50,998)</u>	<u>(63,848)</u>	<u>(89,988)</u>	<u>(85,600)</u>	<u>(48,144)</u>
6,000	15,000	12,000	2,000	13,000	38,000	24,000	9,000
—	—	—	—	—	10,000	10,000	—
—	—	—	—	—	50,000	30,000	25,000
18,778	16,434	14,840	28,387	21,200	8,475	—	1,500
—	—	—	—	—	—	—	—
(750)	(1,800)	(858)	(842)	(1,900)	(780)	—	—
(2,880)	(10,415)	—	(8,536)	—	—	(2,500)	(1,831)
(50)	(50)	(50)	(50)	(1,550)	—	—	—
—	—	—	—	—	—	—	(5,500)
(30,800)	(27,300)	(34,900)	(23,600)	(20,500)	(19,800)	(19,800)	(15,850)
(6,291)	(6,340)	(6,536)	(8,571)	(6,884)	(8,980)	(5,402)	(4,770)
(227)	(890)	(813)	(1,508)	857	(1,083)	(848)	(387)
<u>(16,282)</u>	<u>(14,781)</u>	<u>(8,116)</u>	<u>(19,518)</u>	<u>4,813</u>	<u>78,372</u>	<u>38,488</u>	<u>7,582</u>
<u>\$ (19,031)</u>	<u>\$ (42,782)</u>	<u>\$22,431</u>	<u>\$18,089</u>	<u>\$ 8,214</u>	<u>\$ 6,288</u>	<u>\$ 3,977</u>	<u>\$18,010</u>

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Balance Sheets

At December 31,	1989	1987	1988
(Thousands of Dollars)			
ASSETS			
Utility Plant:			
Production — Fossil	\$ 788,662	\$ 801,800	\$ 808,340
Transmission	112,177	108,362	89,507
Distribution	342,421	325,037	295,062
General	183,680	89,863	59,905
Construction Work in Progress	28,572	10,113	188,988
Electric Plant Acquisition Adjustment	6,425	—	—
Electric Plant Held for Future Use	2,189	3,011	6,187
Total Utility Plant	1,387,496	1,346,766	1,257,987
Accumulated Provision for Depreciation	425,539	389,249	388,117
Total	871,978	857,518	867,840
Less Property-Related Accumulated Deferred Income Taxes	178,667	188,787	182,589
Total	793,310	798,811	785,251
Other Property and Investments	6,786	2,832	2,619
Current Assets:			
Cash	292	5,228	9,901
Temporary Cash Investments, at Cost	12,899	35,000	27,431
Receivables, Net	84,788	81,886	59,586
Refundable Income Taxes	4,745	6,539	—
Fossil Fuel Stock, at Average Cost	61,488	45,932	69,785
Materials and Supplies, at Average Cost	22,982	29,828	28,024
Fuel Cost Under Recovery	1,218	—	—
Prepayments	3,577	677	788
Vacation Pay Deferred	2,249	3,350	3,000
Total Current Assets	178,599	187,398	198,516
Deferred Charges:			
Accumulated Deferred Income Taxes	—	—	—
Deferred Cost of Canceled Plant, Being Amortized	—	—	—
Debt Expense, Being Amortized	3,291	3,203	2,738
Unamortized Loss on Recquired Debt	6,982	7,210	—
Deferred Coal Contract Costs	188,293	55,889	60,683
Miscellaneous	4,415	3,639	11,080
Total Deferred Charges	199,981	78,141	74,479
Total Assets	\$1,997,225	\$1,951,162	\$1,928,864

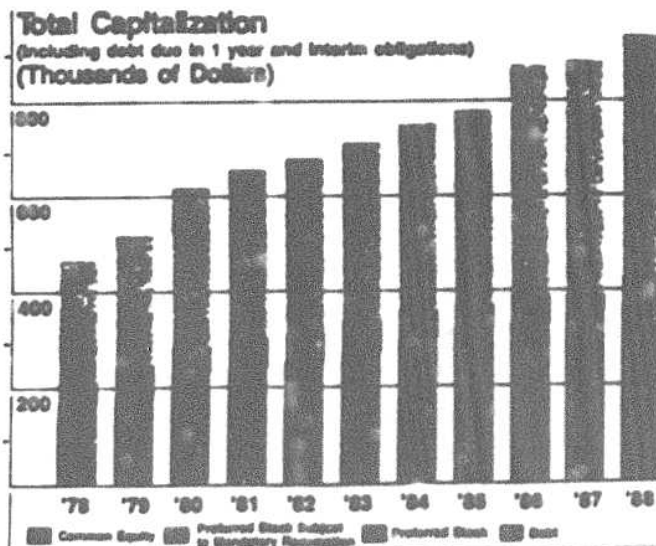
Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

1985	1984	1983	1982	1981	1980	1979	1978
\$ 599,613	\$ 582,130	5863,361	5530,957	5519,401	5356,400	5331,105	5313,973
88,883	88,888	88,388	85,348	83,218	87,008	85,113	82,402
274,856	241,557	213,403	204,548	188,188	173,311	160,624	148,654
50,035	40,885	37,818	34,888	25,348	23,125	18,342	15,148
148,888	130,027	31,711	34,652	32,048	188,881	128,148	97,751
—	—	—	—	—	—	—	—
6,382	2,544	1,882	1,458	1,252	1,222	1,257	1,588
1,178,348	1,083,848	944,321	981,658	857,834	811,888	722,588	667,484
318,388	287,348	258,288	233,648	288,278	178,888	158,188	141,848
888,848	888,888	888,881	888,813	848,288	834,888	884,383	818,848
138,388	112,884	103,388	91,481	88,188	73,882	63,887	55,121
724,882	683,815	581,738	578,812	588,182	588,284	588,536	488,824
881	2,218	1,885	1,747	1,178	283	216	445
10,285	3,888	1,048	13,617	8,888	24,334	13,128	12,649
13,000	28,888	78,000	40,000	27,888	5,000	10,000	5,500
53,574	48,173	67,348	34,888	38,888	32,108	23,588	22,888
—	—	—	—	—	—	4,888	—
73,888	78,039	82,388	85,883	88,471	87,781	31,738	32,337
20,577	20,288	18,001	17,877	14,883	13,183	10,820	8,316
—	—	—	—	—	—	—	—
833	474	888	338	288	1,825	801	340
2,775	2,517	2,800	—	—	—	—	—
174,714	188,787	244,572	182,885	178,171	124,821	94,173	82,822
7,229	810	282	—	—	—	—	47
—	—	885	3,145	5,401	7,780	10,570	8,375
2,788	2,838	2,888	2,453	2,088	1,810	1,588	1,345
—	—	—	—	—	—	—	—
11,871	12,580	8,588	10,284	8,229	7,038	5,455	2,882
21,888	18,888	13,375	15,882	13,888	18,888	17,834	11,848
\$ 821,835	\$ 882,824	8841,828	8787,148	8788,238	8711,184	8812,488	8855,840

Balance Sheets

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

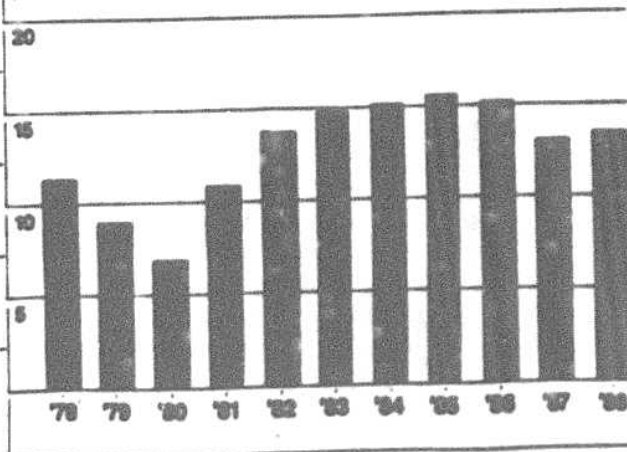
At December 31,	1988	1987	1986
(Thousands of Dollars)			
CAPITALIZATION AND LIABILITIES			
Capitalization:			
Common Stock	\$ 28,080	\$ 38,080	\$ 38,080
Other Paid-in Capital	297,180	182,150	182,150
Premium on Preferred Stock	389	389	389
Earnings Retained in the Business	112,791	102,403	84,386
Total Common Equity	388,310	323,012	314,995
Preferred Stock	66,162	66,162	66,162
Preferred Stock Subject to Mandatory Redemption	12,780	14,000	18,500
Long-Term Debt	497,080	474,840	482,869
Total Capitalization (Excluding Amount Due Within One Year)	923,291	888,014	886,526
Current Liabilities:			
Preferred Stock Due to be Redeemed Within One Year	1,220	1,750	1,750
Long-Term Debt Due Within One Year	18,986	13,225	4,823
Accounts Payable	29,886	34,500	24,014
Customer Deposits	18,316	15,565	14,715
Taxes Accrued	18,883	7,850	10,986
Interest Accrued	19,247	9,584	11,024
Fuel Cost Over Recovery	—	9,330	—
Vacation Pay Accrued	3,240	3,200	3,000
Miscellaneous	2,748	2,144	3,869
Total Current Liabilities	88,184	87,148	74,181
Deferred Credits and Other Liabilities:			
Accumulated Deferred Income Taxes	17,678	22,982	22,550
Accumulated Deferred Investment Tax Credits	82,481	64,567	55,843
Miscellaneous	18,821	8,631	5,784
Total Deferred Credits and Other Liabilities	86,760	67,220	66,157
Total Capitalization and Liabilities	81,097,225	81,061,162	81,028,884



Type of Data Shown:
 Projected Test Year Ended 12/31/89
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

1985	1984	1983	1982	1981	1980	1979	1978
\$ 38,080	\$ 38,080	\$ 38,080	\$ 38,080	\$ 38,080	\$ 38,080	\$ 38,080	\$ 38,080
182,180	178,180	181,180	149,180	147,180	134,180	88,180	72,180
389	389	378	357	270	93	88	88
81,086	88,381	53,245	42,634	35,145	31,808	37,778	40,349
301,674	290,890	252,831	230,231	220,825	203,812	172,074	150,847
55,182	55,182	55,182	55,182	55,182	55,182	55,182	45,182
18,250	19,000	21,250	22,000	22,750	23,500	14,250	15,000
410,817	394,859	382,293	377,578	352,188	338,278	281,318	251,891
<u>788,803</u>	<u>788,811</u>	<u>711,536</u>	<u>684,971</u>	<u>688,769</u>	<u>621,790</u>	<u>622,002</u>	<u>482,800</u>
780	780	--	108	--	780	780	--
2,910	2,910	9,885	80	8,888	80	--	2,500
23,585	21,809	21,208	18,389	25,891	25,378	34,081	40,787
13,783	12,624	11,078	9,275	7,849	8,444	8,882	5,200
13,240	22,038	19,482	18,441	8,422	8,384	7,340	12,208
11,783	11,707	11,888	10,439	9,088	8,751	5,481	5,388
--	--	--	--	--	--	--	--
2,775	2,517	2,200	--	--	--	--	--
4,988	4,474	4,130	3,072	2,715	2,287	2,215	1,707
<u>73,742</u>	<u>78,629</u>	<u>79,808</u>	<u>85,754</u>	<u>89,681</u>	<u>82,884</u>	<u>88,839</u>	<u>67,788</u>
--	--	--	91	1,382	2,237	3,815	--
55,848	53,242	49,752	42,917	40,035	33,181	30,187	24,844
6,044	10,842	6,731	3,413	3,477	1,972	138	800
<u>61,890</u>	<u>64,084</u>	<u>56,483</u>	<u>46,331</u>	<u>44,512</u>	<u>37,200</u>	<u>34,118</u>	<u>25,644</u>
<u>8821,835</u>	<u>8882,824</u>	<u>8841,828</u>	<u>8787,148</u>	<u>8785,238</u>	<u>8711,194</u>	<u>8812,489</u>	<u>8858,940</u>

Return on Average Common Equity
 (Percent)



Capitalization Ratios

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

At December 31,	1988	1987	1986
(Percent)			
Long-Term Debt (See Note).....	83.8	84.8	85.5
Preferred Stock.....	8.0	6.4	6.4
Preferred Stock Subject to Mandatory Redemption (See Note).....	1.4	1.6	1.9
Common Equity.....	<u>38.8</u>	<u>37.2</u>	<u>36.2</u>
 Total Capitalization (See Note).....	 <u>100.0</u>	 <u>100.0</u>	 <u>100.0</u>

Note: Excludes amount due within one year.

Statements of Earnings Retained in the Business

Years Ended December 31,	1988	1987	1986
(Thousands of Dollars)			
Balance, Beginning of Period.....	\$182,403	\$ 84,388	\$ 81,085
Add:			
Net Income for the Period.....	<u>81,689</u>	<u>48,242</u>	<u>52,634</u>
	<u>182,682</u>	<u>142,628</u>	<u>133,699</u>
Deduct:			
Dividends on Preferred Stock.....	8,701	8,025	6,213
Cash Dividends on Common Stock.....	35,400	34,200	33,100
Preferred Stock Issuance Expense.....	<u>—</u>	<u>—</u>	<u>—</u>
	<u>41,101</u>	<u>40,225</u>	<u>39,313</u>
 Balance, End of Period.....	 <u>\$112,701</u>	 <u>\$182,403</u>	 <u>\$ 84,388</u>

Statements of Other Paid-In Capital

Years Ended December 31,	1988	1987	1986
(Thousands of Dollars)			
Balance, Beginning of Period.....	\$182,160	\$182,160	\$182,160
Capital Contributions from Parent Company.....	<u>25,000</u>	<u>—</u>	<u>—</u>
 Balance, End of Period.....	 <u>\$207,160</u>	 <u>\$182,160</u>	 <u>\$182,160</u>

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

1985	1984	1983	1982	1981	1980	1979	1978
52.3	52.6	53.7	55.1	54.1	54.5	53.8	54.4
7.0	7.4	7.8	8.1	8.5	8.9	10.6	9.8
2.3	2.5	3.0	3.2	3.5	3.8	2.7	3.2
<u>38.4</u>	<u>37.5</u>	<u>36.5</u>	<u>33.6</u>	<u>33.9</u>	<u>32.8</u>	<u>32.9</u>	<u>32.6</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

1985	1984	1983	1982	1981	1980	1979	1978
\$ 66,381	\$63,245	\$42,634	\$35,145	\$31,909	\$37,776	\$48,349	\$38,014
51,775	46,676	42,046	37,680	30,830	20,163	19,814	21,755
<u>118,156</u>	<u>99,921</u>	<u>84,680</u>	<u>72,825</u>	<u>62,739</u>	<u>57,939</u>	<u>68,163</u>	<u>60,769</u>
6,291	6,340	6,535	6,571	6,694	6,680	5,402	4,770
30,800	27,300	24,900	23,800	20,800	19,800	18,800	15,650
--	--	--	--	--	170	185	--
<u>37,091</u>	<u>33,540</u>	<u>31,435</u>	<u>30,171</u>	<u>27,194</u>	<u>26,430</u>	<u>22,387</u>	<u>20,420</u>
<u>\$ 81,985</u>	<u>\$66,381</u>	<u>\$83,245</u>	<u>\$42,634</u>	<u>\$35,145</u>	<u>\$31,909</u>	<u>\$37,776</u>	<u>\$48,349</u>

1985	1984	1983	1982	1981	1980	1979	1978
\$178,150	\$161,150	\$149,150	\$147,150	\$134,150	\$ 88,150	\$72,150	\$63,150
<u>6,000</u>	<u>15,000</u>	<u>12,000</u>	<u>2,000</u>	<u>13,000</u>	<u>38,000</u>	<u>24,000</u>	<u>9,000</u>
<u>\$182,150</u>	<u>\$176,150</u>	<u>\$161,150</u>	<u>\$149,150</u>	<u>\$147,150</u>	<u>\$134,150</u>	<u>\$96,150</u>	<u>\$72,150</u>

Senior Security Issues Outstanding

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarborough

Years Ended December 31,	1988	1987	1986
(Thousands of Dollars)			
Long Term Debt:			
First Mortgage Bonds --			
Maturing 1979 -- 3%	\$ --	\$ --	\$ --
Maturing 1982 -- 3 1/4%	--	--	--
Maturing 1984 -- 3 1/4%	7,000	8,000	8,000
Maturing 1986 -- 4%	3,890	7,000	7,000
Maturing 1988 -- 4 1/4%	2,890	3,890	3,890
Maturing 1990 -- 6%	60,631	27,000	27,000
Maturing 1994 through 1998 -- 6 1/4% to 8.20%	66,123	66,123	66,123
Maturing 1999 through 2003 -- 7 1/4% to 8 1/4%	60,000	60,000	60,000
Maturing 2004 through 2008 -- 8 1/4% to 9%	30,000	30,000	30,000
Maturing 2009 through 2013 -- 10 1/4% to 10%	60,000	60,000	60,000
Maturing 2016 -- 10 1/4%	208,544	281,913	281,913
Total First Mortgage Bonds	607,058	607,058	607,058
Pollution Control Obligations --			
Maturing 1991 through 2003 (Due Semi-ly) --	8,678	8,128	8,175
5.90% to 7.40%	149,430	149,430	149,430
Maturing 2004 through 2017 -- 6% to 11 1/4%	--	(2,677)	(7,673)
Funds Held on Deposit With Trustee	187,896	163,878	149,832
Total Pollution Control Obligations	(2,789)	(2,915)	(2,916)
Unauthorized Debt Premium and Discount, Net	60,714	55,899	60,663
Other Long Term Debt			
Total Long-Term Debt (Annual Interest Requirement --	812,674	487,095	487,662
\$44,210,000 at 12/31/88)	18,606	13,225	4,823
Less Amount Due Within One Year			
Total Long-Term Debt Excluding Amount	8487,000	8474,940	8482,889
Due Within One Year			
Preferred Stock Cumulative:			
\$100 Per Value --			
4.64%	\$ 8,162	\$ 8,102	\$ 8,102
5.16%	6,000	5,000	5,000
5.44%	5,000	5,000	5,000
7.52%	6,000	6,000	5,000
8.52%	6,000	6,000	5,000
7.88%	3,999	5,000	5,000
8.29%	18,000	18,000	18,000
8.52%	18,000	10,000	10,000
Total (Annual Dividend Requirement --	\$4,162,000	\$ 58,162	\$ 58,162
\$4,162,000 at 12/31/88)			
Preferred Stock Subject to Mandatory Redemption,			
Cumulative:			
\$100 Per Value --			
10.60%	\$ 7,990	\$ 8,250	\$ 8,750
11.29%	6,990	7,500	6,500
Less Amount Due Within One Year	1,290	1,750	1,750
Total Excluding Amount Due Within One Year (Annual	\$ 12,700	\$ 14,000	\$ 16,800
Dividend Requirement -- \$1,518,000 at 12/31/88)			

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

1985	1984	1983	1982	1981	1980	1979	1978
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500
-	-	-	-	6,536	6,536	6,536	6,536
-	-	9,915	9,915	9,915	9,915	9,915	9,915
8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
3,890	3,890	3,890	3,890	3,890	3,890	3,890	3,890
27,000	27,000	27,000	27,000	27,000	27,000	27,000	27,000
95,123	95,123	95,123	95,123	95,123	95,123	95,123	95,123
60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
76,640	79,600	80,000	80,000	80,000	80,000	30,000	-
-	-	-	-	-	-	-	-
<u>277,983</u>	<u>280,513</u>	<u>280,928</u>	<u>280,928</u>	<u>287,464</u>	<u>287,464</u>	<u>247,464</u>	<u>219,984</u>
8,225	8,275	8,325	8,375	8,425	8,475	-	-
149,430	149,430	107,430	67,430	65,430	36,730	36,730	36,730
(17,573)	(36,349)	(10,773)	(5,613)	-	-	-	-
<u>149,982</u>	<u>121,386</u>	<u>194,982</u>	<u>69,182</u>	<u>63,855</u>	<u>44,206</u>	<u>36,730</u>	<u>36,730</u>
(3,908)	(4,100)	(3,852)	(3,462)	(2,567)	(2,343)	(1,878)	(1,503)
-	-	-	-	-	-	-	-
413,827	267,789	382,268	377,628	386,762	339,326	281,316	254,191
2,910	2,910	9,985	50	6,586	50	-	2,500
<u>9416,917</u>	<u>6394,989</u>	<u>6382,293</u>	<u>6377,578</u>	<u>6383,168</u>	<u>6339,376</u>	<u>6281,316</u>	<u>6251,691</u>
\$ 5,102	\$ 5,162	\$ 5,102	\$ 5,102	\$ 5,102	\$ 5,102	\$ 5,102	\$ 5,102
5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
5,080	5,080	5,080	5,080	5,080	5,080	5,080	5,080
5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
10,000	10,000	10,000	10,000	10,000	10,000	10,000	-
<u>\$ 55,162</u>	<u>\$ 55,162</u>	<u>\$ 55,162</u>	<u>\$ 55,162</u>	<u>\$ 55,162</u>	<u>\$ 55,162</u>	<u>\$ 55,162</u>	<u>\$ 45,162</u>
\$ 10,500	\$ 11,250	\$ 11,250	\$ 12,108	\$ 12,750	\$ 14,250	\$ 15,000	\$ 15,000
8,500	8,500	10,000	10,000	10,000	10,000	-	-
750	750	-	108	-	750	750	-
<u>\$ 18,250</u>	<u>\$ 19,000</u>	<u>\$ 21,250</u>	<u>\$ 22,000</u>	<u>\$ 22,750</u>	<u>\$ 23,000</u>	<u>\$ 14,250</u>	<u>\$ 15,000</u>

Disposition of Operating Revenues

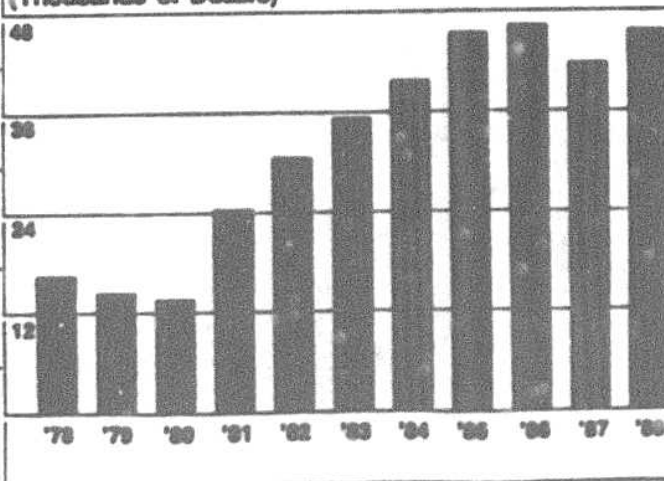
Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Years Ended December 31,	1988	1987	1986
Percent of Operating Revenues:			
Fuel	41.8	44.8	41.8
Purchased and Interchanged Power, Net	(3.9)	(4.9)	2.8
Other Operation	16.2	17.7	13.6
Total Operation	53.8	57.6	58.2
Maintenance	6.3	7.3	6.8
Depreciation and Amortization	6.5	8.4	7.6
Taxes Other Than Income Taxes	6.4	4.9	4.8
Income Taxes	6.2	6.0	7.8
Allowance For Equity Funds Used During Construction	(0.1)	(0.2)	(1.5)
Other Income, Net	(0.1)	(0.4)	(0.1)
Income Before Interest Charges	16.0	16.4	16.4
Interest Charges	7.6	7.6	7.9
Allowance for Debt Funds Used During Construction	(0.1)	(0.2)	(1.7)
Dividends on Preferred Stock	1.2	1.1	1.2
Net Income After Dividends on Preferred Stock	2.1	7.9	9.0
Total	100.0	100.0	100.0

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

1988	1984	1983	1982	1981	1980	1979	1978
44.8	45.7	45.8	51.2	52.4	45.5	48.9	48.0
2.5	0.8	(2.3)	(12.3)	(13.2)	3.4	(3.9)	(2.3)
11.5	12.0	12.7	12.2	13.3	11.8	11.8	10.4
<u>58.8</u>	<u>58.5</u>	<u>56.2</u>	<u>51.1</u>	<u>52.5</u>	<u>60.7</u>	<u>57.8</u>	<u>56.1</u>
8.9	8.1	6.6	8.2	7.8	8.8	7.2	7.1
7.3	7.1	7.3	8.7	8.8	8.8	9.4	7.8
4.4	4.8	4.9	8.8	8.4	4.9	8.0	8.4
7.7	7.8	7.9	9.2	8.0	4.9	6.5	8.2
(1.3)	(5.8)	(0.1)	(0.2)	(0.3)	(1.7)	(1.8)	(1.4)
(0.2)	(1.0)	(0.8)	(0.8)	(0.8)	(0.6)	(0.5)	(0.4)
16.8	17.7	18.0	19.9	19.0	18.4	18.4	17.2
8.1	8.5	8.4	9.5	9.8	10.5	9.0	8.0
(1.5)	(0.7)	(0.1)	(0.1)	(0.2)	(1.6)	(1.3)	(0.9)
1.2	1.3	1.5	1.8	2.1	2.5	2.4	2.2
<u>8.8</u>	<u>8.8</u>	<u>8.2</u>	<u>8.7</u>	<u>7.5</u>	<u>5.0</u>	<u>6.3</u>	<u>7.9</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

**Net Income After Dividends
 on Preferred Stock
 (Thousands of Dollars)**



Income Taxes

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Years Ended December 31,	1988	1987	1986
(Thousands of Dollars)			
Total Provision For Income Taxes:			
Federal	\$ 18,992	\$ 25,189	\$ (5,718)
State	(482)	3,911	(533)
Deferred — Current Year — Federal	22,127	22,109	58,640
— State	3,312	2,898	6,937
Deferred — Reversal of Prior Years — Federal	(13,863)	(20,294)	(18,634)
— State	(1,946)	(2,326)	(1,730)
Deferred Investment Tax Credits	—	888	1,634
Total Income Taxes	<u>26,238</u>	<u>28,345</u>	<u>40,596</u>
Less Income Taxes Charged to —			
Other Income	(1,991)	642	648
Income Taxes Charged to Electric Operations	<u>\$ 26,238</u>	<u>\$ 31,703</u>	<u>\$ 30,948</u>
Statutory Federal Income Tax Rate	34.0%	40.0%	48.0%
Effective Federal Income Tax Rate			
Before Effect of Timing Differences	33.0%	39.0%	45.0%
Accumulated Deferred Income Taxes, Net:			
Utility Plant	\$178,867	\$186,707	\$152,580
Other Nonplant:			
Current	4,891	(1,222)	3,638
Deferred	17,678	22,992	23,550
Total Accumulated Deferred Income Taxes, Net	<u>\$200,396</u>	<u>\$189,477</u>	<u>\$179,777</u>

Reconciliation of Federal Income Taxes

Years Ended December 31,	1988	1987	1986
(Thousands of Dollars)			
Total Provision for Federal Income Taxes	834,636	827,872	836,921
Permanent Reductions in Tax Expense Resulting from			
Statutory Exclusion from Taxable Income —			
Equity Component of Allowance for Funds			
Used During Construction	299	478	4,460
Amortization of Investment Tax Credits	766	990	917
Non-Taxable Portion of Preferred Stock Dividends	68	68	68
Reduction from Filing Consolidated Return	877	691	—
Allowance for Funds Used During Construction			
Equity Depreciated	(484)	(836)	(442)
Other	(886)	220	(263)
Effective Federal Income Taxes Before			
Effect of Timing Differences	34,866	28,893	40,675
Reversal of Prior Year Timing Differences — Not Normalized:			
Difference in Depreciation Basis and Rates	(232)	(270)	(452)
Other	17	7	10
Reversal of Prior Year Timing Differences — Normalized	<u>899</u>	<u>978</u>	<u>503</u>
Miscellaneous	—	—	—
Statutory Federal Income Taxes	<u><u>\$25,668</u></u>	<u><u>\$30,468</u></u>	<u><u>\$40,736</u></u>

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

1985	1984	1983	1982	1981	1980	1979	1978
\$ 13,880	\$ 21,033	\$ 20,185	\$ 18,549	\$ 6,589	\$ 1,930	\$ (4,800)	\$ 3,957
2,780	3,778	2,655	2,759	2,026	788	233	1,002
33,287	18,332	18,554	13,857	10,584	8,951	13,282	7,896
3,905	1,859	2,091	1,852	1,342	1,008	1,491	802
(17,085)	(12,953)	(7,811)	(4,224)	(4,527)	(2,723)	(974)	(831)
(1,850)	(1,381)	(828)	(484)	(482)	(242)	(53)	(28)
5,716	10,667	2,292	5,057	10,953	4,508	8,137	5,054
<u>49,923</u>	<u>29,285</u>	<u>37,128</u>	<u>34,786</u>	<u>28,235</u>	<u>14,184</u>	<u>15,516</u>	<u>17,662</u>
882	3,524	2,894	2,070	2,589	1,070	594	81
<u>\$ 49,841</u>	<u>\$ 32,809</u>	<u>\$ 34,434</u>	<u>\$ 32,716</u>	<u>\$ 25,646</u>	<u>\$ 13,114</u>	<u>\$ 14,992</u>	<u>\$ 17,571</u>
48.0%	48.9%	48.6%	48.9%	48.0%	48.9%	48.0%	48.0%
48.9%	48.3%	48.0%	48.9%	48.9%	48.9%	48.3%	48.8%
\$ 135,388	\$ 112,884	\$ 103,335	\$ 91,401	\$ 83,188	\$ 73,802	\$ 63,857	\$ 55,121
6,826	788	7,304	4,579	1,389	2,548	2,478	(512)
(7,229)	(810)	(282)	91	1,382	2,237	3,615	(47)
<u>\$ 134,967</u>	<u>\$ 112,832</u>	<u>\$ 110,297</u>	<u>\$ 96,071</u>	<u>\$ 84,577</u>	<u>\$ 76,345</u>	<u>\$ 70,180</u>	<u>\$ 54,562</u>

1985	1984	1983	1982	1981	1980	1979	1978
\$ 35,928	\$ 36,879	\$ 33,239	\$ 38,838	\$ 35,329	\$ 12,884	\$ 13,845	\$ 15,876
3,938	1,851	329	320	454	2,148	1,879	1,475
845	777	735	681	430	380	322	298
89	88	88	88	88	88	88	88
181	289	207	(80)	(128)	172	115	325
(425)	—	—	—	—	—	—	—
(913)	(13)	75	(370)	1	1	1	—
<u>39,722</u>	<u>37,821</u>	<u>34,894</u>	<u>31,888</u>	<u>28,154</u>	<u>18,411</u>	<u>18,230</u>	<u>18,042</u>
(425)	(735)	(510)	(415)	(415)	(388)	(407)	(410)
543	18	—	—	—	—	(402)	345
503	503	503	389	88	80	81	—
—	—	(5)	(5)	8	(24)	(19)	88
<u>\$ 40,343</u>	<u>\$ 37,697</u>	<u>\$ 34,822</u>	<u>\$ 31,556</u>	<u>\$ 28,633</u>	<u>\$ 18,101</u>	<u>\$ 18,483</u>	<u>\$ 18,083</u>

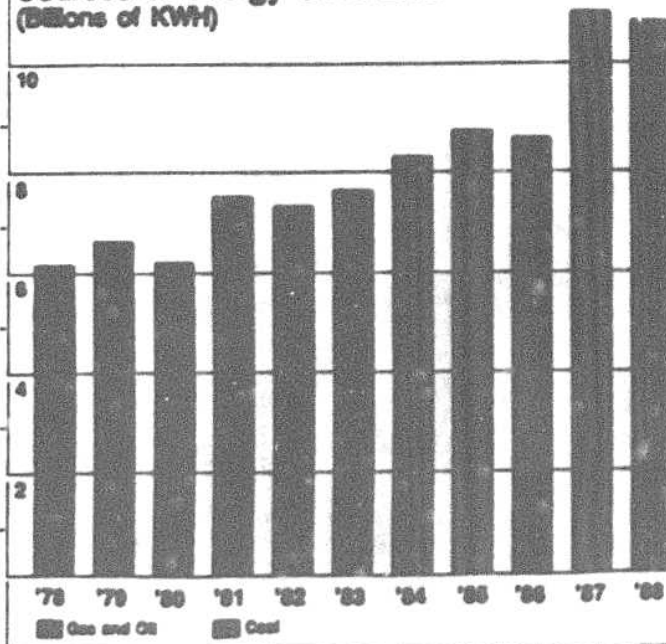
Power Supply Data

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Years Ended December 31,	1988	1987	1986
Energy Generated and Received — (Thousands of Kilowatthours)			
Generated:			
Fuel — Coal	11,183,160	11,428,091	8,410,671
— Oil	2,829	30	1,447
— Gas	42,804	43,882	44,472
Total Energy Generated	11,208,832	11,472,003	8,456,590
Purchased and Interchanged Power, Net	(1,563,821)	(1,937,000)	263,058
Total Energy Generated and Received	9,645,011	9,535,003	8,719,648
Percent of Total —			
Generated:			
Fuel — Coal	118.7	110.9	96.5
— Oil
— Gas	0.5	0.4	0.5
Total Energy Generated	118.2	120.3	97.0
Purchased and Interchanged Power, Net	(16.2)	(20.3)	3.0
Total Energy Generated and Received	100.0	100.0	100.0

* Less than one-tenth of one percent

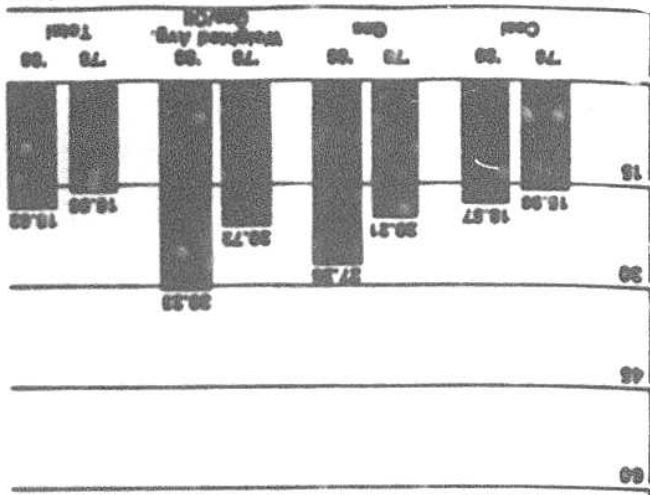
Sources of Energy Generated
 (Billions of KWH)



Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarborough

1985	1984	1983	1982	1981	1980	1979	1978
8,533,573	8,342,411	7,880,437	7,329,731	7,485,704	6,819,302	6,000,677	6,378,088
445	43	428	38	2,477	7,242	4,413	74,954
18,070	21,878	81,101	18,725	67,829	323,783	827,582	717,180
8,522,588	8,284,130	7,711,888	7,247,482	7,557,188	6,180,187	6,832,482	6,178,303
882,772	267,988	(182,974)	(88,884)	(1,272,487)	213,282	(888,883)	(185,180)
9,148,180	8,522,896	7,518,992	6,292,488	6,284,882	6,283,678	8,981,488	8,005,843
83.3	88.7	101.8	114.8	119.1	91.4	100.1	88.8
0.2	0.3	0.7	0.3	1.1	8.1	10.5	11.8
82.8	87.8	182.8	114.8	128.3	88.8	118.7	102.8
8.8	3.8	(2.8)	(14.8)	(28.3)	8.4	(18.7)	(2.8)
100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

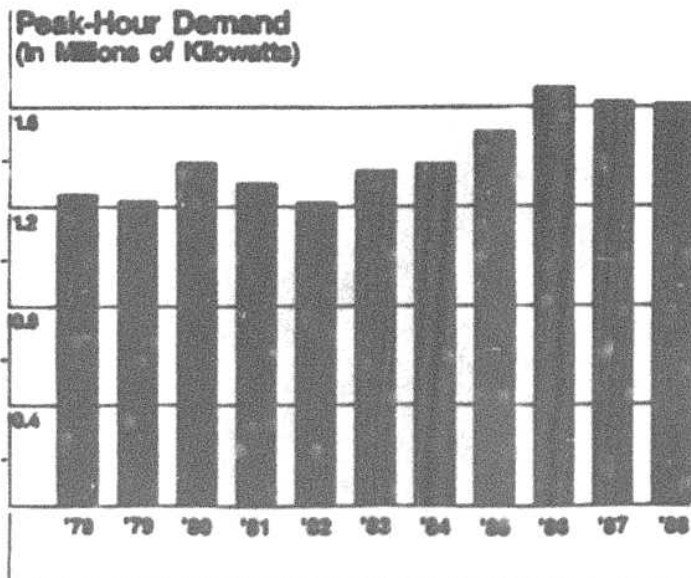
Costs of Fossil Fuels Generated (M\$/MWH)



Generating Capacity and Fuel Econ

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

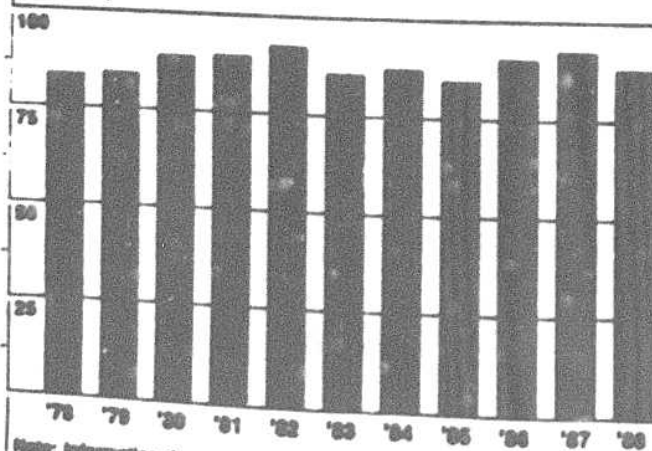
Years Ended December 31,	1986	1987	1988
Generating Capacity — (Kilowatts)			
Fossil — Coal	2,088,800	2,088,800	1,865,000
— Oil & Gas	114,400	114,400	114,400
Total Generating Capacity	2,173,200	2,173,200	1,989,400
Maximum Peak — Hour Demand	1,813,200	1,817,400	1,877,800
Annual Load Factor (Percent)	66.5	64.4	60.5
Fossil Fuel Economy Data:			
BTU Per Net Kilowatthour Generated	19,481	10,512	10,639
Cost of Fuel Per Million BTU (Cents)	178.00	197.53	239.28
Fuel Cost Per Net Kilowatthour Generated (Cents)	1.88	2.08	2.55



Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

1985	1984	1983	1982	1981	1980	1979	1978
1,855,000	1,855,000	1,855,000	1,855,000	1,855,000	1,355,000	1,355,000	1,355,000
114,400	114,400	114,400	114,400	114,400	114,400	114,400	114,400
<u>1,969,400</u>	<u>1,969,400</u>	<u>1,969,400</u>	<u>1,969,400</u>	<u>1,969,400</u>	<u>1,469,400</u>	<u>1,469,400</u>	<u>1,469,400</u>
1,517,400	1,381,400	1,341,400	1,218,400	1,296,400	1,389,300	1,221,100	1,246,800
53.4	54.9	53.2	54.5	52.5	68.4	66.1	66.0
10,800	10,639	10,721	10,805	11,080	10,913	10,982	11,493
254.53	244.40	240.14	238.24	201.01	182.12	156.83	144.97
2.70	2.80	2.57	2.48	2.23	1.99	1.72	1.67

Operating Availability
 Based on GADS Format
 (Percent)

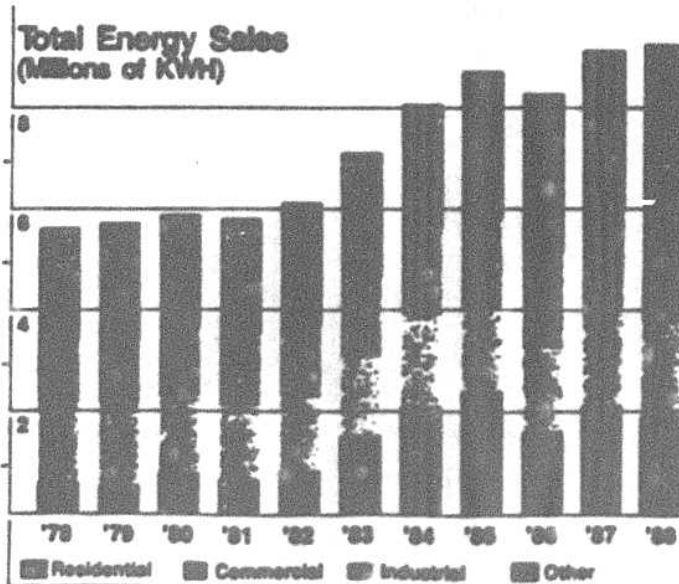


Note: Information does not include combustion turbines.

Operating Statistics

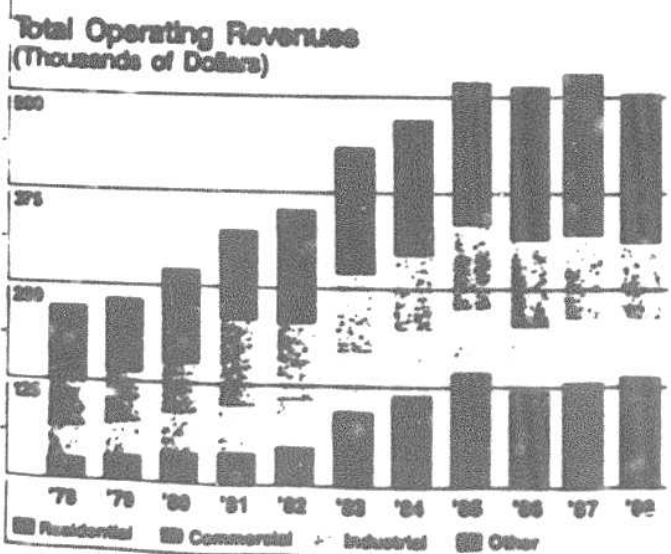
Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Years Ended December 31,	1988	1987	1986
Kilowatt-hour Sales: (Thousands)			
Residential	3,154,841	3,055,041	2,983,502
Commercial	2,088,598	1,888,332	1,913,139
Industrial	1,888,891	1,838,931	1,745,074
Municipal Street Lighting	15,888	14,315	14,154
Sales for Resale	272,843	316,486	315,396
Other	1,231	829	749
Total Territorial Sales	7,860,330	7,213,011	6,962,014
Sales to Utilities Outside Territory --			
Unit Power Sales	1,823,299	1,794,883	936,806
Other Long-Term Sales	115,630	57,241	356,944
Total Kilowatt-hour Sales	9,139,248	8,034,936	8,245,764
Operating Revenues: (Thousands of Dollars)			
Residential	8184,836	8188,701	8200,725
Commercial	187,818	118,057	116,253
Industrial	72,834	80,295	79,872
Municipal Street Lighting	1,372	1,334	1,320
Sales for Resale	11,399	14,213	15,705
Other	39	23	23
Total Revenues from Territorial Sales	877,246	411,833	413,889
Revenues from Sales to Utilities Outside Territory --			
Unit Power Sales	181,829	118,419	75,222
Other Long-Term Sales	4,415	3,824	15,965
Total Revenues from Sales of Electricity	483,180	831,896	606,893
Other Revenues	19,397	39	10,720
Total Operating Revenues	8802,497	8831,968	8815,604



Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

1985	1984	1983	1982	1981	1980	1979	1978
2,736,432	2,560,648	2,471,714	2,363,615	2,380,619	2,334,747	2,225,026	2,243,479
1,777,418	1,559,344	1,488,782	1,431,670	1,352,499	1,292,833	1,269,356	1,253,550
1,770,587	1,771,100	1,612,393	1,431,738	1,482,275	1,484,425	1,552,383	1,829,743
14,086	14,011	14,107	14,100	14,038	14,357	14,037	13,877
345,450	317,888	297,247	273,957	253,905	531,897	519,218	530,286
816	544	530	407	345	338	359	437
<u>6,644,599</u>	<u>6,223,313</u>	<u>6,084,783</u>	<u>6,516,487</u>	<u>6,663,681</u>	<u>6,660,886</u>	<u>6,589,357</u>	<u>6,571,352</u>
1,345,840	1,087,446	789,559	—	—	—	—	—
887,301	708,519	603,782	571,675	326,102	258,089	—	—
<u>6,687,730</u>	<u>6,089,278</u>	<u>7,188,184</u>	<u>6,087,172</u>	<u>6,989,783</u>	<u>6,928,974</u>	<u>6,589,357</u>	<u>6,571,352</u>
8186,415	8174,302	8189,127	8157,794	8143,011	8113,233	808,425	800,660
109,631	98,408	95,426	90,590	80,207	67,625	60,136	55,670
81,621	63,538	77,035	67,463	64,206	55,003	48,387	45,219
1,327	1,318	1,318	1,285	1,115	1,092	1,014	932
17,836	16,830	15,449	14,330	16,389	18,777	16,413	15,957
19	16	16	26	21	14	7	6
<u>396,848</u>	<u>374,212</u>	<u>388,371</u>	<u>331,488</u>	<u>364,918</u>	<u>386,844</u>	<u>223,382</u>	<u>208,846</u>
63,507	64,956	62,953	—	—	—	—	—
25,346	25,216	15,932	17,713	10,444	7,140	—	—
<u>806,892</u>	<u>484,384</u>	<u>427,286</u>	<u>349,201</u>	<u>316,382</u>	<u>283,184</u>	<u>223,382</u>	<u>208,846</u>
12,422	5,716	6,154	6,154	5,835	5,530	5,680	5,574
<u>8518,224</u>	<u>8479,199</u>	<u>8433,419</u>	<u>8357,355</u>	<u>8321,187</u>	<u>8268,714</u>	<u>8229,682</u>	<u>8214,220</u>



Operating Statistics

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Test Year Ended 12/31/89
 Witness: A. E. Scarbrough

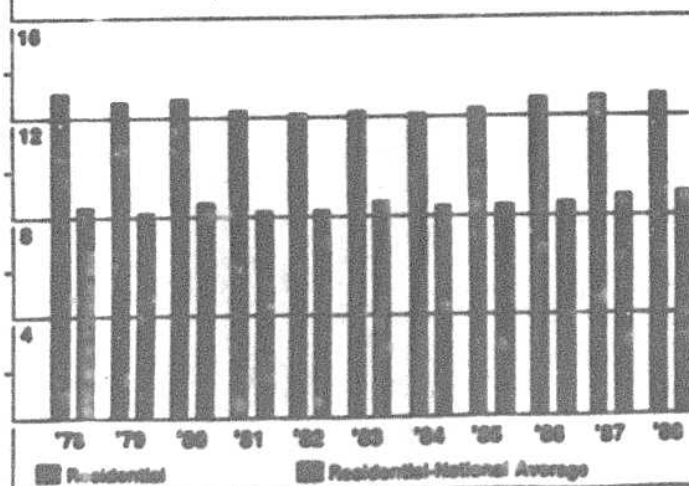
Years Ended December 31,	1988	1987	1986
Customers:			
End of Year —			
Residential	246,480	241,138	235,329
Commercial	33,630	32,139	31,142
Industrial	298	208	197
Other	61	61	62
Total Customers — End of Year	279,767	273,544	266,730
Average for Year —			
Residential	244,866	239,362	232,816
Commercial	32,788	31,821	30,575
Industrial	297	203	194
Other	60	62	61
Total Customers — Average	277,883	271,448	263,648
Residential Operating Statistics:			
Average Annual Kilo-watt-hour Use Per Customer	12,663(1)	12,763	12,729
Average Annual Revenue Per Customer	\$781.80(2)	\$834.31	\$862.16
Average Revenue Per Kilo-watt-hour (Cents)	6.63(3)	6.54	6.77
Commercial and Industrial Operating Statistics:			
Average Revenue Per Kilo-watt-hour (Cents) —			
Commercial	5.15	5.84	6.06
Industrial	3.89	4.36	4.58

Note:

National Averages — Investor Owned Utilities (Source: Edison Electric Institute — Preliminary Estimates)

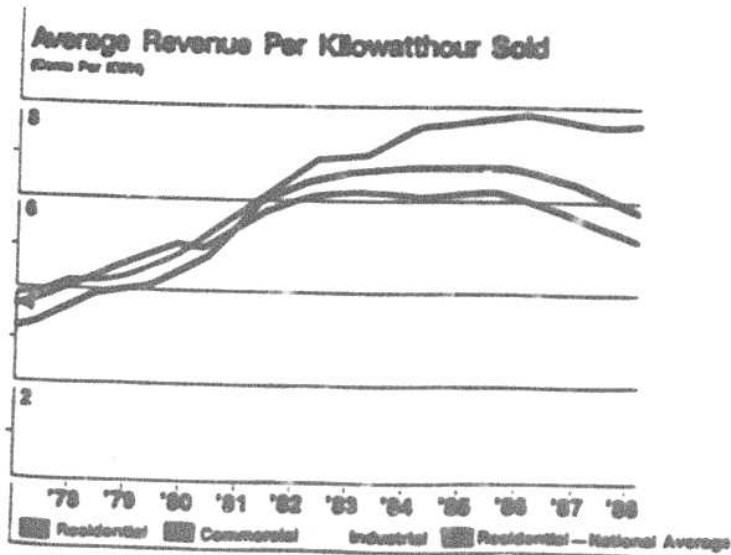
- (1) 9,003
- (2) \$669.45
- (3) 7.77c

Average Residential KWH Consumption (Thousands of KWH)



Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Test Year Ended 12/31/89
 Witness: A. E. Scarbrough

1985	1984	1983	1982	1981	1980	1979	1978
227,845	217,138	205,292	198,838	180,030	182,973	174,815	168,987
29,803	27,939	28,217	24,302	23,372	22,632	21,820	21,564
183	177	179	174	167	167	162	165
62	63	62	61	57	59	59	59
<u>257,893</u>	<u>245,917</u>	<u>231,760</u>	<u>221,173</u>	<u>213,626</u>	<u>208,631</u>	<u>198,666</u>	<u>191,778</u>
223,908	212,378	201,714	194,238	187,488	180,188	172,908	168,156
28,983	27,336	25,487	23,982	23,343	22,459	21,849	21,567
181	178	178	170	165	166	164	160
63	63	62	60	57	59	59	59
<u>253,136</u>	<u>239,968</u>	<u>227,439</u>	<u>216,419</u>	<u>210,654</u>	<u>202,661</u>	<u>196,678</u>	<u>189,842</u>
12,221	12,067	12,254	12,188	12,591	12,969	12,888	13,342
8832.55	8820.71	8838.45	8812.42	8782.77	8828.50	8667.67	8539.14
6.81	6.81	6.84	6.88	6.88	4.85	4.33	4.04
6.17	6.31	6.37	6.33	6.83	6.25	4.74	4.46
4.81	4.72	4.78	4.71	4.33	3.88	3.18	2.86

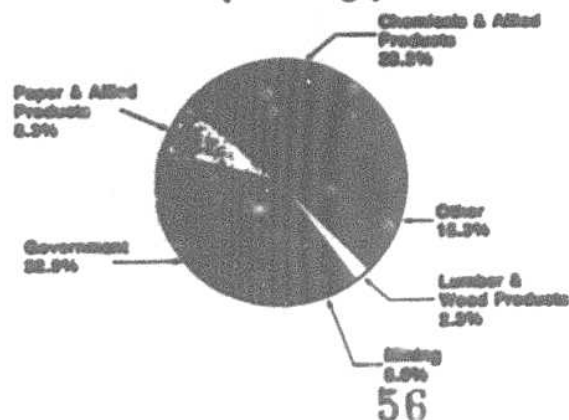


Industrial Revenue Diversification -

Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

Years Ended December 31,	1988	1987	1986
(Thousands of Dollars)			
Manufacturing Industry:			
Textile Mill Products	\$ 89	\$ 48	\$ 42
Primary Metal Industries	241	238	244
Chemicals and Allied Products	24,163	28,067	29,439
Food and Kindred Products	1,288	1,407	1,804
Stone, Clay and Glass Products	1,881	1,843	1,991
Paper and Allied Products	6,644	6,492	4,346
Transportation Equipment	688	640	632
Lumber and Wood Products	1,688	1,838	2,113
Rubber and Miscellaneous Plastic Products	451	348	375
Other	2,438	3,808	2,282
Non-Manufacturing Industry:			
Government	22,871	25,388	25,975
Transportation, Communication and Other Public Utilities	1,791	2,066	1,886
Mining	6,818	6,258	7,191
Services	688	683	1,088
Other	674	1,180	872
Total Industrial Revenue	572,634	688,206	678,573
Percent of Total —			
Manufacturing Industry:			
Textile Mill Products	0.1	0.1	0.1
Primary Metal Industries	0.3	0.3	0.3
Chemicals and Allied Products	33.2	35.0	36.9
Food and Kindred Products	1.7	1.7	2.0
Stone, Clay and Glass Products	2.2	2.3	2.5
Paper and Allied Products	8.9	8.1	5.4
Transportation Equipment	1.8	0.8	0.8
Lumber and Wood Products	2.3	2.3	2.6
Rubber and Miscellaneous Plastic Products	0.6	0.4	0.5
Other	4.7	4.4	2.8
Non-Manufacturing Industry:			
Government	32.9	31.8	32.5
Transportation, Communication and Other Public Utilities	2.3	2.3	2.5
Mining	8.9	7.8	9.0
Services	1.2	1.2	1.4
Other	1.2	1.5	0.7
Total Industrial Revenue	100.0	100.0	100.0

1988 Industrial Revenue Diversification (Percentage)



Type of Data Shown:
 Projected Test Year Ended 12/31/90
 Prior Year Ended 12/31/89
 Witness: A. E. Scarbrough

1986	1984	1983	1982	1981	1980	1979	1978
\$ 43	\$ 31	\$ 45	\$ 188	\$ 177	\$ 129	\$ 75	\$ 69
283	301	176	94	41	48	42	12
30,084	32,380	30,018	25,788	23,789	22,288	20,779	19,188
1,848	1,701	1,802	1,303	1,389	1,210	888	841
1,931	1,984	1,848	368	85	44	48	45
8,740	7,184	4,484	3,779	4,847	4,084	3,448	3,189
889	818	814	339	380	236	307	175
1,988	2,123	2,008	1,474	1,382	1,228	1,188	842
281	287	245	225	171	144	140	147
3,615	2,251	3,675	2,947	2,781	1,821	1,487	1,457
24,301	23,838	23,182	22,487	21,484	17,434	15,818	14,380
1,988	2,184	2,374	5,344	8,014	3,880	3,043	2,847
7,877	7,881	8,475	1,423	1,047	888	752	705
882	888	848	1,000	1,022	1,000	888	855
442	388	384	818	708	888	480	387
<u>881,821</u>	<u>883,838</u>	<u>877,888</u>	<u>887,483</u>	<u>884,388</u>	<u>888,888</u>	<u>848,887</u>	<u>845,218</u>
0.1	0.1	0.1	0.2	0.3	0.2	0.2	0.2
0.3	0.2	0.2	0.1	0.1	0.1	0.1	—
38.8	38.7	38.0	38.2	37.0	40.5	42.0	42.4
2.0	2.0	2.3	1.9	2.1	2.2	2.0	2.1
2.4	2.4	2.5	0.8	0.1	0.1	0.1	0.1
7.0	8.6	8.8	8.8	7.7	7.4	7.0	7.0
0.7	0.7	0.7	0.5	0.4	0.4	0.4	0.4
2.5	2.8	2.8	2.2	2.2	2.2	2.4	1.9
0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3
4.4	2.7	4.8	4.4	4.3	3.3	3.1	3.2
29.7	28.5	30.1	32.3	32.4	31.7	31.8	31.8
2.4	2.8	3.1	7.9	7.8	7.1	6.2	8.3
8.7	8.1	7.1	2.1	1.8	1.8	1.5	1.5
1.2	1.0	1.1	1.5	1.8	1.8	1.8	1.9
0.5	0.4	0.5	1.2	1.1	1.1	1.0	0.9
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>