

Before the
Florida Public Service Commission

Docket No. 891345-EI

FILE COPY

GULF POWER COMPANY

Rebuttal Exhibit of

JEFFRY POLLOCK

On behalf of:

**AIR PRODUCTS AND CHEMICALS, INC.
AMERICAN CYANAMID COMPANY
CHAMPION INTERNATIONAL CORPORATION
EXXON COMPANY, U.S.A.
MONSANTO COMPANY
STONE CONTAINER CORPORATION**

Project 5095
May 1990

Drazen-Brubaker & Associates, Inc.
St. Louis, Missouri 63141-0110

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FPSC-RECORDS/REPORTING

GULF POWER COMPANY

Sensitivity of Net Operating Income to Variations in Kilowatthour Sales at Proposed Rates Based on Gulf's Revised Cost-of-Service Study (Test Year Ending December 31, 1990)

Line	Description	RS (1)	LP & IPT (2)	PXT (3)	Reference (4)
1	Energy Sold (MWh)	3,330,638	1,383,390	983,828	MFR E-12 Revised
2	Energy Charge (\$/MWh)	\$37.53	\$5.91	\$3.83	MFR E-16 Revised
3	Energy Unit Cost (\$/MWh)	<u>3.50</u>	<u>3.36</u>	<u>3.27</u>	MFR E-8b Revised
4	Margin	<u>\$34.03</u>	<u>\$2.55</u>	<u>\$0.56</u>	Ln. 2 - Ln. 3
	Assume 10% of Variation in kWh Sales:				
5	Revenue Effect	\$11,334	\$353	\$55	Ln. 1 x 10% x Ln. 4
6	Revenue Expansion Factor	1.632	1.632	1.632	MFR C-58
7	Income Effect	\$6,945	\$216	\$34	Ln. 5 ÷ Ln. 6
8	Proposed Operating Income	\$39,875	\$9,563	\$4,640	Revised COSS
9	Variation as a Percent of Proposed Operating Income	17.4%	2.3%	0.7%	Ln. 7 ÷ Ln. 8

GULF POWER COMPANY**Rate Base per Dollar of
Total Revenue Requirement by Rate Class
Based on Gulf's Revised Cost-of-Service Study
(Test Year Ending December 31, 1990)**

<u>Line</u>	<u>Rate Class</u>	<u>Rate Base (000) (1)</u>	<u>Total Revenue Requirement (000) (2)</u>	<u>Rate Base per Dollar of Required Revenue (3)</u>	<u>Capital Intensity Index (4)</u>
1	RS	\$511,835	\$228,679	\$2.24	109
2	GS	35,982	16,796	2.14	104
3	GSD	189,251	94,182	2.01	97
4	LP & LPT	114,693	63,983	1.79	87
5	PXT	55,614	38,399	1.45	70
6	OS	13,477	5,371	2.51	122
7	SS	<u>2,843</u>	<u>777</u>	3.66	178
8	Total Retail	\$923,695	\$448,187	\$2.06	100

GULF POWER COMPANY

Ratio of Customer/Demand-Related Costs to Total Revenue Requirement Based on Gulf's Revised Cost-of-Service Study (Test Year Ending December 31, 1990)

<u>Line</u>	<u>Rate Class</u>	<u>Customer/ Demand Costs (000) (1)</u>	<u>Total Revenue Requirement (000) (2)</u>	<u>Percent of Fixed Costs (3)</u>	<u>Fixed Cost Index (4)</u>
1	RS	\$142,361	\$228,679	62%	112
2	GS	11,318	16,796	67	121
3	GSD	49,316	94,182	52	94
4	LP & LPT	28,352	63,983	44	80
5	PXT	13,150	38,399	34	62
6	OS	3,952	5,371	74	132
7	SS	<u>671</u>	<u>777</u>	86	155
8	Total Retail	\$249,120	\$448,187	56%	100