

Gulf Power Company
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ORIGINAL
FILE COPY

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

the southern electric system

July 19, 1990

Mr. Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee FL 32399-0870

Dear Mr. Tribble:

RE: Docket No. 891345-EI

Enclosed are an original and fifteen copies of Gulf Power Company's Late Filed Exhibit Nos. 585, 596, 597, 619, 624, and 630 to be filed in the above docket.

Sincerely,

Jack L. Haskins

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Enclosures

ACK _____
AFA 2 _____
APP _____
CAF _____
CMU _____
CTR *orig* _____
EAG 1 _____
LEG 1 _____
LIN 6 _____
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RCH _____
SEC 1 _____
WAG _____
STM _____

DOCUMENT NUMBER-DATE

06518 JUL 20 1990

EPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition of Gulf Power Company)
for a Rate Increase)
_____)

Docket No. 891345-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 19th day of July, 1990 by U. S. Mail or hand delivery to the following:

Jack Shreve, Esquire
Public Counsel
Florida House of Representatives
The Capitol
Tallahassee FL 32399-1300

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Lawson, McWhirter, Grandoff &
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P. O. Box 3350
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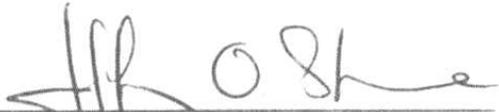
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Attorneys for Gulf Power Company

DOCUMENT NUMBER 1478

06518 JUL 20 1990

FPSC-RECORDS/REPORTING

Question: Provide a chronological history for the calculation of AFUDC for Plant Scherer Unit 3 and the rates used during this same period.

Response:

GULF POWER COMPANY
Plant Scherer Unit No. 3
AFUDC(1)

<u>Year</u>	<u>Gulf</u> \$	<u>Georgia</u> \$	<u>Total</u> \$
1974		128	128
1975		381	381
1976		525	525
1977		471	471
1978		1,729	1,729
1979		21,820	21,820
1980		101,456	101,456
1981		260,408	260,408
1982		675,399	675,399
1983		2,594,643	2,594,643
1984(2)	1,650,300	6,151,685	7,801,985
1985	10,803,690		10,803,690
1986	13,437,410		13,437,410
1987(3)	357,327		357,327
Total AFUDC	<u>26,248,727</u>	<u>9,808,645</u>	<u>36,057,372</u> (4)

(1) AFUDC includes Unit 3, Transmission substation and common facilities unique to Unit No. 3 & 4.

(2) Gulf purchase October 18, 1984.

(3) Unit 3 placed in service on January 1, 1987.

(4) Approximately 98% of the total AFUDC was calculated during a 60 month period beginning January 1, 1982, and ending December 31, 1986, (\$35.3 million + \$36.1 million = 97.8%).

GULF POWER COMPANY
AFUDC Rates Applied to
Plant Scherer Unit 3

Georgia Power Company AFUDC Rates

YEAR	(1) N.O.T.	M.O.T.	GROSS	GROSS
	ANNUAL RATE	DEBT RATE	DEBT RATE	ANNUAL RATE
1974	7.50%	2.54%	5.20%	10.16%
1975	7.50%	2.49%	5.09%	10.10%
1976	7.50%	2.22%	4.54%	9.82%
1977 (JAN)	7.34%	2.20%	4.50%	9.64%
1977 (FEB-NOV)	9.64%	2.20%	4.50%	11.94%
1977 (DEC)	7.50%	2.20%	4.50%	9.80%
1978	7.50%	2.18%	4.46%	9.78%
1979	7.50%	2.38%	4.69%	9.81%
1980 (JAN-MAY)	7.50%	2.88%	5.67%	10.29%
1980 (JUN-DEC)	7.87%	2.88%	5.67%	10.66%
1981 JANUARY	7.75%	2.43%	4.79%	10.11%
1981 FEBRUARY	7.72%	2.44%	4.81%	10.09%
1981 MARCH	7.72%	2.43%	4.79%	10.08%
1981 APRIL	7.76%	2.50%	4.93%	10.19%
1981 MAY	7.72%	2.52%	4.96%	10.16%
1981 JUNE	7.72%	2.51%	4.94%	10.15%
1981 JULY	7.92%	2.63%	5.18%	10.47%
1981 AUGUST	7.89%	2.64%	5.20%	10.45%
1981 SEPTEMBER	7.93%	2.63%	5.18%	10.48%
1981 OCTOBER	7.97%	2.61%	5.14%	10.50%
1981 NOVEMBER	8.30%	2.83%	5.58%	11.05%
1981 DECEMBER	8.63%	2.83%	5.58%	11.38%
1982 JANUARY	8.75%	2.78%	5.48%	11.45%
1982 FEBRUARY	8.72%	2.78%	5.48%	11.42%
1982 MARCH	8.76%	2.77%	5.46%	11.45%
1982 APRIL	8.80%	2.75%	5.42%	11.47%
1982 MAY	8.78%	2.78%	5.48%	11.48%
1982 JUNE	8.79%	2.77%	5.46%	11.48%
1982 JULY	8.85%	2.78%	5.48%	11.55%
1982 AUGUST	8.86%	2.93%	5.77%	11.70%
1982 SEPTEMBER	8.90%	2.91%	5.73%	11.72%
1982 OCTOBER	9.11%	2.82%	5.56%	11.85%
1982 NOVEMBER	9.04%	2.93%	5.77%	11.88%
1982 DECEMBER	9.05%	2.92%	5.75%	11.88%
1983 JANUARY	9.12%	2.92%	5.75%	11.95%
1983 FEBRUARY	9.10%	2.94%	5.79%	11.95%
1983 MARCH	9.07%	3.00%	5.91%	11.98%
1983 APRIL	9.13%	2.97%	5.85%	12.01%
1983 MAY	9.10%	2.99%	5.89%	12.00%
1983 JUNE	9.12%	2.98%	5.87%	12.01%
1983 JULY	9.20%	2.95%	5.81%	12.06%
1983 AUGUST	9.10%	2.95%	5.81%	12.04%

GULF POWER COMPANY
APUDC Rates Applied to
Plant Scherer Unit 3

YEAR		(1)N.O.T.	N.O.T.	GROSS	GROSS
		ANNUAL	DEBT	DEBT	ANNUAL
		RATE	RATE	RATE	RATE
1983	SEPTEMBER	9.23%	2.94%	5.79%	12.08%
1983	OCTOBER	9.20%	2.89%	5.69%	12.00%
1983	NOVEMBER	9.32%	2.90%	5.71%	12.13%
1983	DECEMBER	9.35%	2.88%	5.67%	12.14%
1984	JANUARY	9.48%	2.82%	5.56%	12.22%
1984	FEBRUARY	9.47%	2.82%	5.56%	12.21%
1984	MARCH	9.50%	2.81%	5.54%	12.23%
1984	APRIL	9.55%	2.77%	5.46%	12.24%
1984	MAY	9.53%	2.79%	5.50%	12.24%
1984	JUNE	9.21%	2.84%	5.59%	11.96%
1984	JULY	8.89%	3.01%	5.93%	11.81%
1984	AUGUST	9.01%	2.98%	5.87%	11.90%
1984	SEPTEMBER	9.04%	3.02%	5.95%	11.97%
1984	OCTOBER	9.13%	3.02%	5.95%	12.06%

Gulf Power Company APUDC Rates

1984	October	9.78%
1985		9.87%
1986		9.78%
1987	January	9.78%

(1) Net of Tax

Question: What was the impact of renegotiating the boiler contract for Scherer Unit 3?

Response: Scherer Unit 3 was originally scheduled for commercial operation on May 1, 1981. The purchase order dated May 13, 1975 to Combustion Engineering for the boiler was for a base price of \$26,800,000. On May 6, 1976, Georgia Power Company changed the construction schedule to support the commercial operation date February 1, 1983. The base price for materials and equipment and a redesigned boiler to include significant technical changes and improvements increased the contract to \$34,458,000. On March 7, 1980, the schedule was changed for a commercial operation date of March 1, 1987. On November 22, 1983, the contract was re-baselined to \$78,938,000 to combat the high escalation cost experienced during the contract term. The final cost of the job was \$77,789,084, which covered other adjustments due to change orders.

The boiler contract was extended from 1974 through 1985 using the Bureau of Labor/Statistics Consumer Price Index. The average index for 1974 was 49.3 and the average index for 1985 was 107.6. The difference between these two numbers gives a multiplier of 2.1825557. The original contract of \$35,484,000 times 2.1825557 results in a cost extension of \$77,445,806. The result of this cost extension is that the actual cost of the project was only \$343,278 higher than the escalated rate based on the Consumer Price Index. However, if the change orders in the amount of \$11.3 million relating to significant technical changes and improvements to the design of the boiler were taken out of the total cost of the boiler for comparison purposes, the installed cost is \$10.9 million under the escalated rate based on the Consumer Price Index.

Pages 5 & 6 of this exhibit details all changes made to the original purchase order.

GULF POWER COMPANY
Plant Scherer - Unit III
Boiler Contract - Summary of Purchase Order PCG 3-2
Combustion Engineering

<u>Date</u>	<u>Description</u>	<u>Dollar Change</u> \$	<u>New Price</u> \$	<u>Delay Costs</u>	<u>Significant Technical Change</u>	<u>Item Summary</u>
05/13/75	Original Purchase Order		26,800,000			Base price in 1974 dollars.
06/27/75	Change Order # 1	0				Technical wording change.
08/26/75	# 2	0				Address clarification.
11/04/75	# 3	0				Placed all work on hold.
05/06/75	# 4	7,658,000	34,458,000		*	Removed hold/changed boiler design.
08/04/76	# 5	1,026,000	35,484,000		*	Add gas recirc. system.
11/10/76	# 6	(64,500)	35,419,500			Delete inlet boxes/establish target M/H.
01/13/77	# 7	(26,000)	35,393,500			Delete road mesh on ductwork.
12/30/77	# 8	519,600	35,913,100		*	Various technical modifications.
04/04/78	# 9	(75,500)	35,837,600			Technical deletion/addition.
04/18/78	# 10	0				Payment schedule update.
04/25/78	# 11	0				Changed technical direction cost.
05/05/78	# 12	0				Terms for erection labor.
05/18/78	# 13	0				Cancel C/O #12.
05/23/78	# 14	13,100	35,850,700			Add air systems.
06/28/78	# 15	0				Field labor costs.
08/11/78	# 16	0				Technical direction costs.
09/08/78	# 17	0				Erection labor terms.
09/29/78	# 18	(3,500)	35,847,200			Deduct for wiring change.
11/02/78	# 19	125	35,847,325			Add certain welding.
02/13/79	# 20	25,200	35,872,525			Add turning vanes.
02/22/79	# 21	0				Technical change
02/27/79	# 22	0				Add job order process.
03/21/79	# 23	35,250	35,907,775			Add duct and water cooled doors.
07/06/79	# 24	700	35,908,475			Add elastimold connectors.
07/20/79	# 25	5,200	35,913,675			Add mufflers.
08/10/79	# 26	0				Escalation established for pressure parts tubing.
11/15/79	# 27	7,250	35,920,925			Add conductor cables.
12/06/79	# 28	1,000	35,921,925			Add valve modification.
01/03/80	# 29	100,680	36,022,605	*		Restate above changes/include storage costs.
03/07/80	# 30	801,640	36,824,245	*		Add costs associated with delay.
05/05/80	# 31	0				Pertains to erection.
06/03/80	# 32	5,400	36,829,645			Add flame retardant cables.
09/30/80	# 33	800	36,830,445			Add damper lever arms.
11/18/80	# 34	21,350	36,851,795			Engineering study for Eastern Coal.
08/06/81	# 35	(165,770)	36,686,025		*	Deduct 72 wall blowers.
11/20/81	# 36	6,169	36,692,194			Add steam pressure reducing station & valve.
12/18/81	# 37	0			*	Place hold on Buffalo Forge fan systems.
03/01/82	# 38	2,232,465	38,924,659		*	Change to Eastern Coal design.
04/23/82	# 39	(52,045)	38,872,614			Modifies C/O 38 pricing.
10/28/82	# 40	7,450	38,880,064			Add connectors, thermocouples, support.
12/15/82	# 41	38,000	38,918,064			Add size of radiant wall inlet header.

GULF POWER COMPANY
Plant Scherer - Unit III
Boiler Contract - Summary of Purchase Order PCG 3-2
Combustion Engineering

Date	Description	Dollar Change \$	New Price \$	Significant		Item Summary
				Delay Costs	Technical Change	
12/23/82	Change Order # 42	12,250	38,930,314			Upgrade terminal blocks.
01/20/83	# 43	(1,100)	38,929,214			Deduct ignitor strainers.
03/23/83	# 44	2,200	38,931,414			Add closure plate.
08/11/83	# 45	0				Leave-out steel erection.
08/25/83	# 46	5,700	38,937,114			Technical modifications.
10/24/83	# 47	800	38,937,914			Add sample drain/shut-offs.
11/22/83	# 48	40,005,786	78,943,700			Re-baseline entire contract.
12/14/83	# 49	2,200	78,945,900			Add ignitor cables.
03/02/84	# 50	0				Clarification of C/O #45.
05/31/84	# 51	(1,156,816)	77,789,084			Revised base, plus technical modification.
05/21/84	# 52	0				Clarification of contract wording.
09/05/84	# 53	0				Clarification of contract wording.

(1)

Note: Above dollars are in 1974, until C/O #48.

(1) After deducting the \$11.3 million of significant technical changes and improvements, the new price compared to the escalated cost using the Consumer Price Index is \$10.9 million under the escalated rate.

Question: What was the impact of renegotiating the turbine-generator contract for Scherer Unit 3?

Response: The purchase order to General Electric for the turbine generator was issued on May 23, 1975, in the amount of \$20,468,899. The contract price was subject to escalation as specified in General Electric's "price adjustment policy." On February 28, 1983, Georgia Power Company elected a price option which changed the purchase order value to \$40,938,091. Use of the Bureau of Labor/Statistics electrical equipment industry wholesale price index for generators, steam turbine driven, shows an average value in 1974 of 224.4 and the 1985 average index was 464.2. The difference in these two escalation factors results in a multiplier of 2.0686274. Multiplying \$20,468,899 times 2.0686274 gives a result of \$42,342,525. The actual purchase order cost was \$1,404,434 less than the escalated value.

Page 8 of this exhibit details all changes made to the original purchase order.

GULF POWER COMPANY
Plant Scherer - Unit III
Turbine-Generator Contract - Summary of Purchase Order PCG 3-1
General Electric Company

<u>Date</u>	<u>Description</u>	<u>Dollar</u> <u>Change</u> \$	<u>New</u> <u>Price</u> \$	<u>Delay</u> <u>Costs</u>	<u>Item Summary</u>
05/23/75	Original Purchase Order	0	\$20,468,899		Base price in 1974 dollars.
08/26/75	Change Order # 1	0			Address clarification.
11/04/75	# 2	0			Placed all work on hold.
10/25/76	# 3	(798,726)	19,670,173		Removed hold - prices based in 1974 dollars.
01/13/77	# 4	0			Technical wording clarification.
02/04/77	# 5	5,824	19,675,997		Various additions and deletions from C/O 3.
03/01/77	# 6	(500)	19,675,497		Deduct screens.
08/16/78	# 7	15,373	19,690,870		Various technical modifications.
02/27/79	# 8	(2,016)	19,688,854		Various technical modifications.
03/01/79	# 9	0			Describes inspection services/rates.
06/26/79	# 10	(3,282)	19,685,572		Modify start-up screens.
10/02/80	# 11	0			Changed ship dates from 7/82 to 12/83.
04/09/81	# 12	0			Install non-shielded buckets.
08/18/82	# 13	80	19,685,652		Add dual voltage starter.
07/14/83	# 14	(10,466)	19,675,186	*	Delete lagging/provides for \$34,970 storage.
12/06/83	# 15	5,466	19,680,652		Change deduct amount from C/O 14.
12/28/83	# 16	21,257,439	40,938,091		Election of 3-year prior to ship price option.
01/11/84	# 17	0			Corrects previous C/O number error.
03/27/84	# 18	0			Schedule of instrument shipment.
11/21/84	# 19	0			Provides use of computer in field.
01/09/85	# 20	0			Cancel C/O 19.
08/30/85	# 21	0			Field engineering services/rates.

Note: Above dollars are in 1974, until C/O #16.

Question: What was the impact of renegotiating the cooling tower contract for Scherer Unit 3?

Response: Georgia Power Company performed a study in 1982 to evaluate their options with Research Cottrell, who had the contract to furnish the cooling tower on Unit 3. The study indicated that the schedule to extend the completion of the cooling tower to a new commercial operating date under the existing contract would result in a total cost of \$29.2 million. The study also showed that by renegotiating the contract, the cost would be only \$22 million. Georgia renegotiated the cooling tower contract for a total value of \$22 million turn key price including labor and materials compared to the original purchase price of \$6,624,750 for materials only back in 1976. The renegotiated price is \$7.2 million less than the escalated price of the original purchase order.

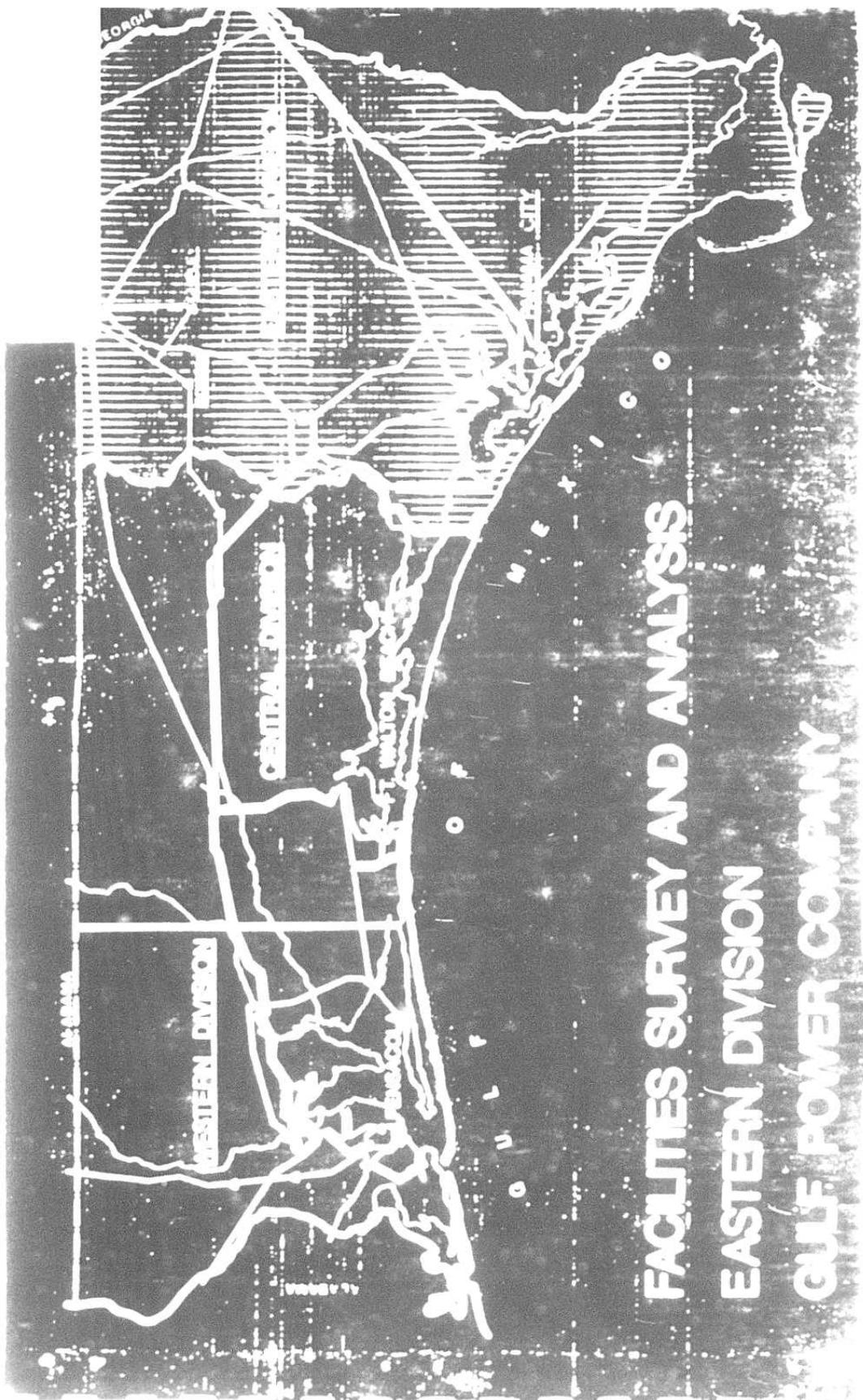
Page 10 of this exhibit details all changes made to the original purchase order.

GULF POWER COMPANY
Plant Scherer - Unit III
Cooling Tower Contract - Summary of Purchase Order PCG 3-43
Research Cottrell

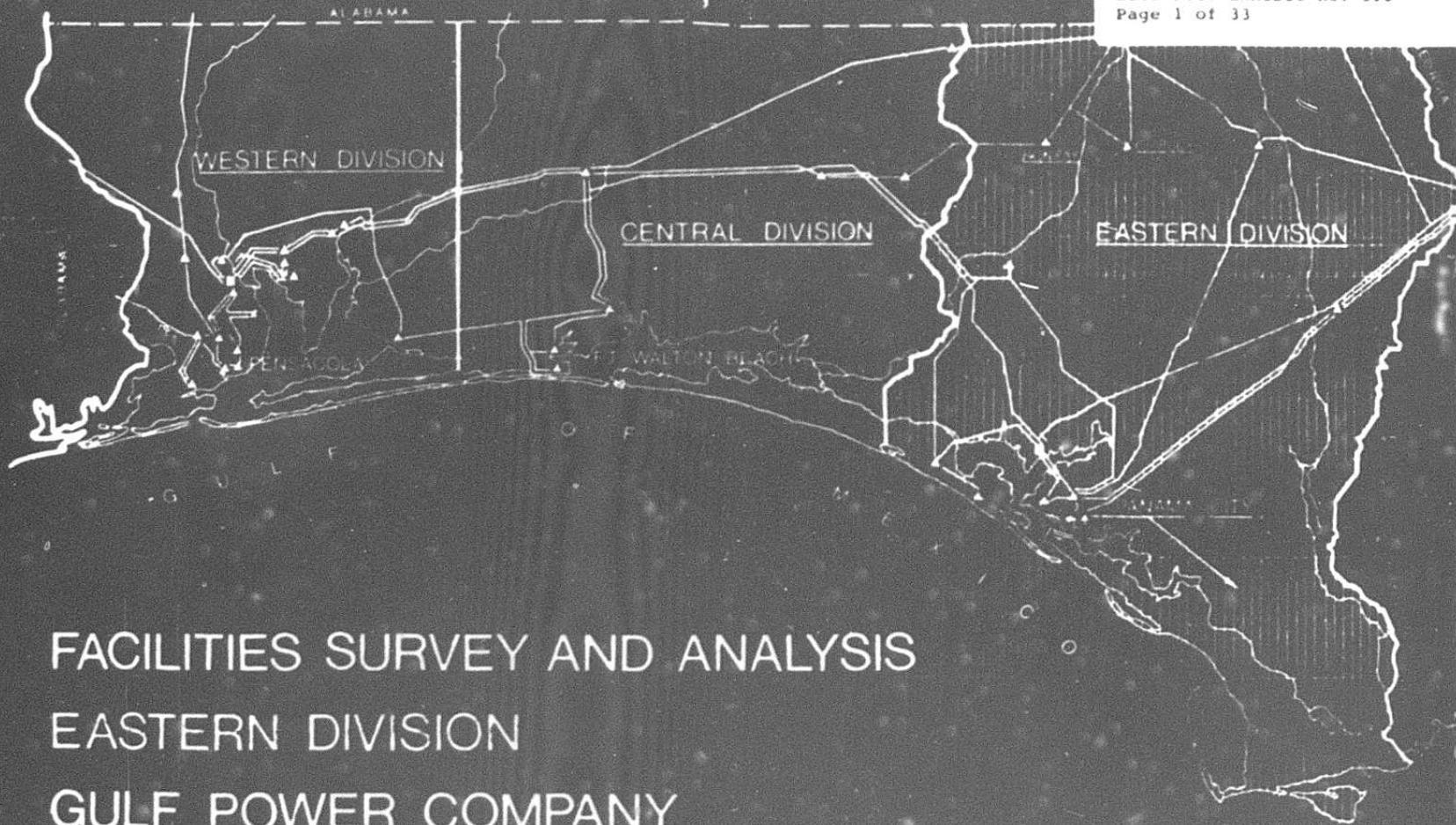
<u>Date</u>	<u>Description</u>	<u>Dollar Change</u> \$	<u>New Price</u> \$	<u>Delay Costs</u>	<u>Significant Technical Change</u>	<u>Item Summary</u>
11/19/76	Original Purchase Order		6,624,750			Base price, 1976 dollars, with 6/83 completion date.
05/01/77	Change Order # 1	0				Changes completion to 5/01/82, with option for 5/01/83.
05/18/77	# 2	74,500	6,699,250			Adjusted base for base 1982 schedule, some mod.
07/10/78	# 3	(145,000)	6,554,250			Delete foundation tension ring beam.
02/05/79	# 4	75,000	6,629,250	*		Adjusted base price, established 5/01/83 complet.
04/26/79	# 5	21,500	6,650,750			Add beacons and caged ladder.
07/08/79	# 6	0				Add job order process.
06/13/79	# 7	15,000	6,665,750			Corrected error on C/O #5 total price.
05/16/80	# 8	(2,750)	6,663,000			Delete platform on tower top beam.
09/19/80	# 9	145,000	6,808,000			Add foundation tension ring beam.
09/29/80	# 10	0				Placed order on hold.
11/10/80	# 11	0				Tabulations for field erection.
08/26/81	# 12	66,830	6,874,830			Addition of 1% sales tax, based to 6/78.
09/03/82	# 13	15,125,170	22,000,000			Negotiated lump sum, not subject to escalate.
10/07/82	# 14	0				Clarification of contract provisions.
08/12/83	# 15	0				This C/O was issued in error.
10/17/83	# 16	18,400	22,018,400			Cancel C/O #15, adds tech. modification.
03/05/84	# 17	8,100	22,026,500			Add basin slab conduit.
03/14/84	# 18	(115,615)	21,910,885			Adjustment for taxes on equipment rentals.
10/12/84	# 19	0				Identifies design change retrofit.
01/15/85	# 20	0				Modifies wording of C/O #19.
03/28/85	# 21	0				Establishes EMD process.
05/12/86	# 22	(3,300)	21,907,585			Credit for modification in C/O #19.

(1)

(1) 1982 study indicated a total estimated cost of \$29.2 million.



FACILITIES SURVEY AND ANALYSIS
EASTERN DIVISION
GULF POWER COMPANY



FACILITIES SURVEY AND ANALYSIS
EASTERN DIVISION
GULF POWER COMPANY

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INTRODUCTION

THIS SURVEY AND EVALUATION ENCOMPASSES THE EASTERN DIVISION FACILITIES OF GULF POWER WHICH SERVES, AS OF MAY, 1978, 46,729 CUSTOMERS. THE DIVISION IS COMPRISED OF THE NORTHERN DISTRICT AND THE PANAMA CITY DISTRICT.

THE NORTHERN DISTRICT COVERS APPROXIMATELY 400 SQUARE MILES OF SERVICE AREA. ITS CENTRAL OFFICE IS LOCATED IN CHIPLEY, FLORIDA, WITH SMALLER OFFICES SERVING THE BONIFAY AND GRACEVILLE AREA. CUSTOMERS LOCATED IN THE NORTHERN DISTRICT COMPRISE LESS THAN 8% OF THE EASTERN DIVISION TOTAL. CUSTOMERS SERVED NUMBER APPROXIMATELY 6,857 AND INCLUDE 2 OTHER ELECTRIC UTILITIES.

SERVING THE SOUTHERN AREA IS THE PANAMA CITY DISTRICT. COVERING APPROXIMATELY 780 SQUARE MILES OF SERVICE AREA, THIS DISTRICT SERVES 39,872 CUSTOMERS. THE DISTRICT OFFICE, WHICH ALSO SERVES AS THE DIVISION OFFICE, IS LOCATED IN PANAMA CITY.

THE PURPOSE OF THIS REPORT IS TO PRESENT DATA ON ALL PHYSICAL FACILITIES IN THE DISTRICT INVOLVING OFFICE, LINE SERVICE, AND WAREHOUSING FUNCTIONS. INFORMATION GATHERED WILL BE PRESENTED IN THE FOLLOWING FORMAT:

- (A) PHYSICAL EVALUATION AND GRADING.
- (B) FUNCTIONAL EVALUATION AND GRADING.
- (C) SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.

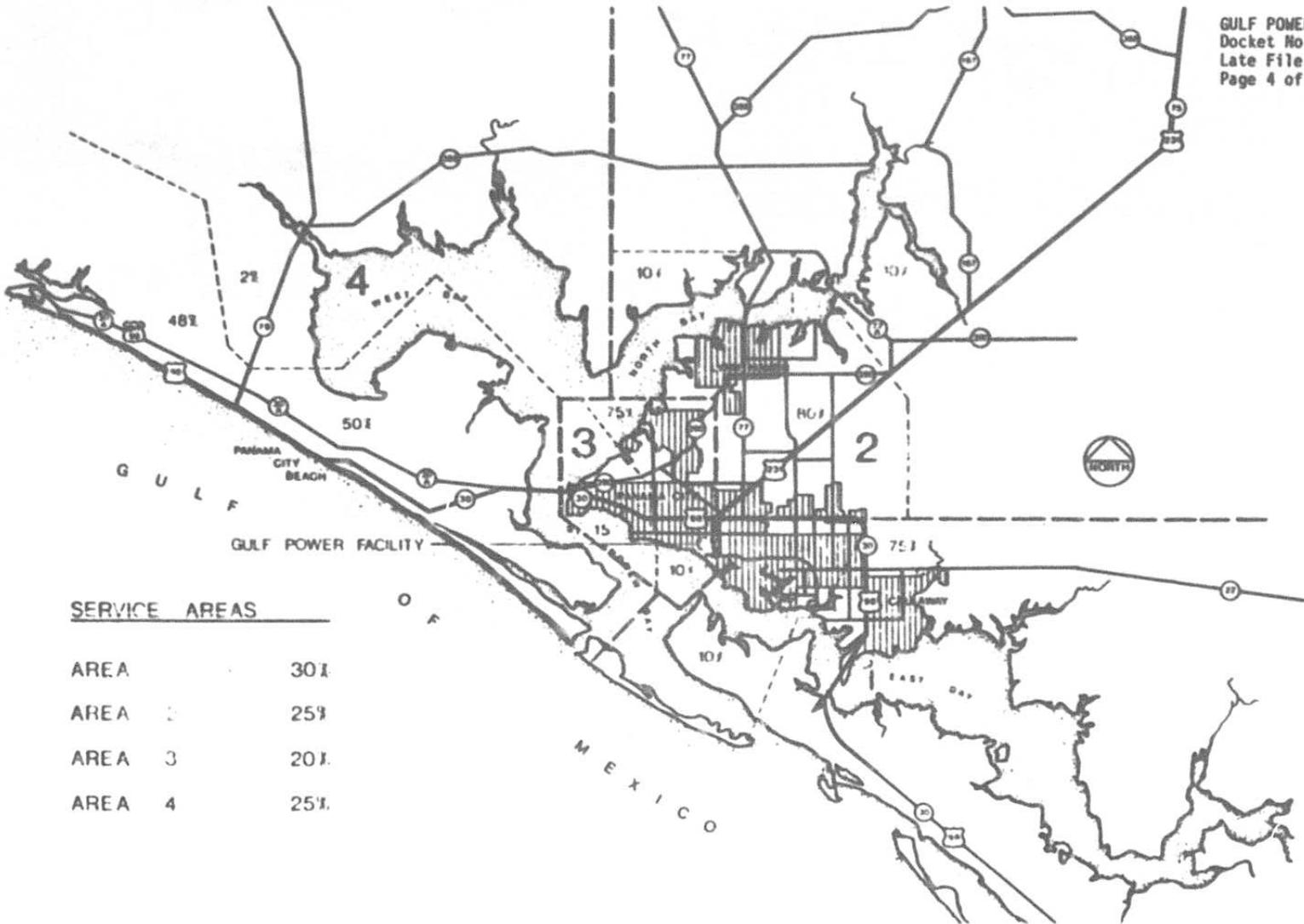
INFORMATION IS BASED ON PHYSICAL SURVEYS OF EXISTING FACILITIES BY THE ARCHITECT AND FUNCTIONAL EVALUATION PROVIDED BY GULF POWER PERSONNEL. STATISTICAL DATA WAS PROVIDED BY GULF POWER ON CUSTOMER GROWTH RATES. COUPLED WITH CENSUS DATA ON POPULATION GROWTH, THIS WAS USED TO PROJECT AN EVALUATION OF FACILITY ADEQUACIES TO THE YEAR 2000. AN EVALUATION OF THE PHYSICAL AND FUNCTIONAL ADEQUACIES IS GRAPHICALLY REPRESENTED. GRADING IS BASED ON A SCALE OF 0 TO 5 WITH THE FOLLOWING EQUIVALENTS:

- 0 - UNSATISFACTORY
- 1 - POOR
- 2 - FAIR
- 3 - AVERAGE
- 4 - GOOD
- 5 - EXCELLENT

THE SQUARE FOOTAGES REPRESENTED INCLUDE ONLY NET WORK AREAS. GROSS AREAS INCLUDING STORAGE, MECHANICAL, CIRCULATION, RESTROOMS, AND OTHER ANCILLARY FEATURES ARE INCLUDED IN THE SUMMARY.

CONCLUSIONS REFLECT FUNCTIONAL AND PHYSICAL ADEQUACIES AND INADEQUACIES, BOTH PRESENT AND FUTURE, OF INFORMATION PRESENTED IN THE REPORT. RECOMMENDED CORRECTIVE STUDIES AND MEASURES TO BE TAKEN WILL FINALIZE THE REPORT OF EACH DISTRICT.

BASED ON DIRECTIVES FROM GULF POWER'S EVALUATION OF THIS REPORT, A SECOND REPORT MAY BE UNDERTAKEN. THIS REPORT WOULD CONTAIN COMPARATIVE SITE ANALYSIS DATA AND A RECOMMENDED CONSTRUCTION PROGRAM FOR GULF POWER EASTERN DIVISION FACILITIES.



SERVICE AREAS

AREA 1	30%
AREA 2	25%
AREA 3	20%
AREA 4	25%

PANAMA CITY DISTRICT
 PROJECTED CUSTOMER GROWTH

PANAMA CITY DISTRICT

THE PANAMA CITY FACILITY HOUSES FIVE DISTINCT FUNCTIONS WHICH SERVE THE ENTIRE DIVISION. LINE SERVICE AND RETAIL SALES ARE SUPPLEMENTED BY THE NORTHERN DISTRICT OFFICES. THESE FIVE FUNCTIONS ARE AS FOLLOWS:

- (A) DIVISION OFFICE
- (B) COMMERCIAL OFFICE
- (C) MARKETING AND LOAD MANAGEMENT
- (D) ENGINEERING
- (E) LINE SERVICES

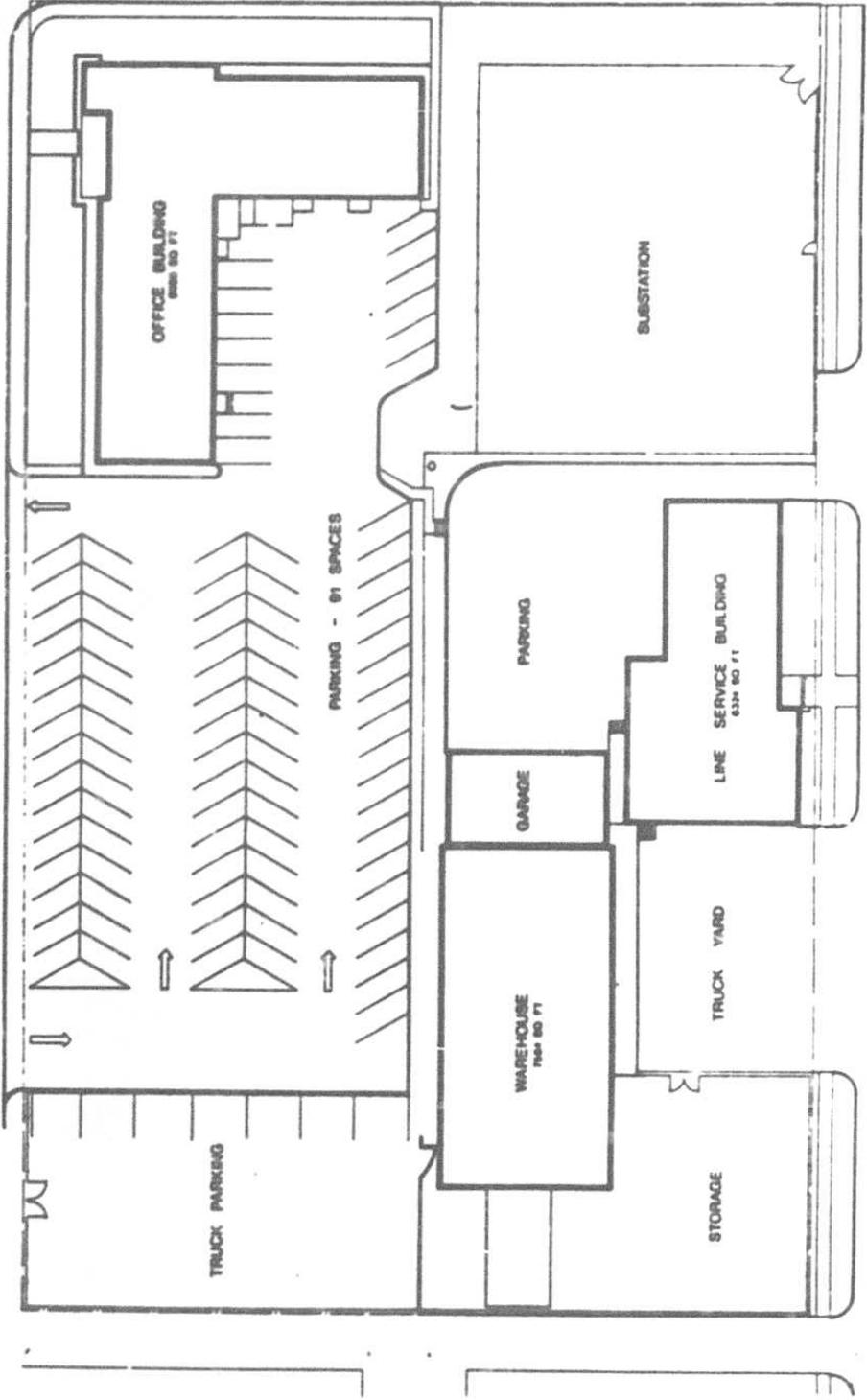
LOCATED 1/2 MILE FROM THE CENTRAL DOWNTOWN BUSINESS DISTRICT, THE MAIN FACILITY OCCUPIES APPROXIMATELY THREE-FOURTHS OF A CITY BLOCK. AN OFFICE BUILDING CONTAINS THE DIVISION OFFICE, COMMERCIAL OFFICE, AND MARKETING AND LOAD MANAGEMENT. LINE-SERVICES IS HOUSED IN ANOTHER BUILDING ADJACENT TO THE WAREHOUSE. PARKING AND A SUB-STATION OCCUPY THE REMAINDER OF THE SITE. A PARCEL OF PROPERTY DIRECTLY NORTH WAS RECENTLY PURCHASED FOR ADDITIONAL PARKING.

ENGINEERING AND SOME FUNCTIONS OF LINE SERVICES ARE HOUSED IN A RECENTLY LEASED FACILITY ON GRACE AVENUE, APPROXIMATELY ONE-QUARTER OF A MILE AWAY. THIS FACILITY WAS ACQUIRED TO RELIEVE THE CROWDED CONDITIONS WHICH EXISTED AT THE MAIN FACILITY AND IS INCLUDED IN THIS EVALUATION.

EASTERN DIVISION'S PANAMA CITY SERVICE AREA HAS STEADILY EXPANDED OUTWARD FROM THE DOWNTOWN LOCATION. NEW CONSTRUCTION PROXIMITY RELATIVE TO DOWNTOWN VARIES FROM 5 MILES TO 20 MILES. THIS HAS INCREASED TRAVEL TIME CONSIDERABLY TO REACH SERVICE AREAS. IMPLICATIONS OF THIS INCREASED TRAVEL TIME WILL BE DISCUSSED LATER IN THE REPORT.

A PRIMARY FACTOR INFLUENCING THE DOWNTOWN LOCATION IS THE LACK OF READY ACCESS TO MAIN TRAFFIC ARTERIES. WITH THE GENERAL LOSS OF CERTAIN RETAIL FUNCTIONS IN THE DOWNTOWN AREA, NO PLANS HAVE BEEN MADE BY GOVERNMENT FOR NEW TRAFFIC ARTERIES WITHIN THIS AREA.

EACH BUILDING WILL BE SURVEYED, THEN ANALYZED AND GRADED FOR ADEQUACY RELATIVE TO ITS PHYSICAL CONDITION AND THE FUNCTION IT HOUSES. ASPECTS OF THE PHYSICAL FACILITIES, INCLUDING CONFORMANCE TO PRESENT BUILDING CODES AND EXPANSION CAPABILITIES, WILL BE EXAMINED. ALL DATA, INCLUDING PROJECTED GROWTH, WILL BE SUMMARIZED AND COMBINED AT THE END OF THIS DISTRICT'S REPORT.



OAK AVENUE

SEVENTH STREET

MALBERRY AVENUE

TRUCK PARKING

OFFICE BUILDING
2000 SQ FT

PARKING - 91 SPACES

SUBSTATION

WAREHOUSE
7500 SQ FT

GARAGE

LINE SERVICE BUILDING
6300 SQ FT

TRUCK YARD

STORAGE

PARKING

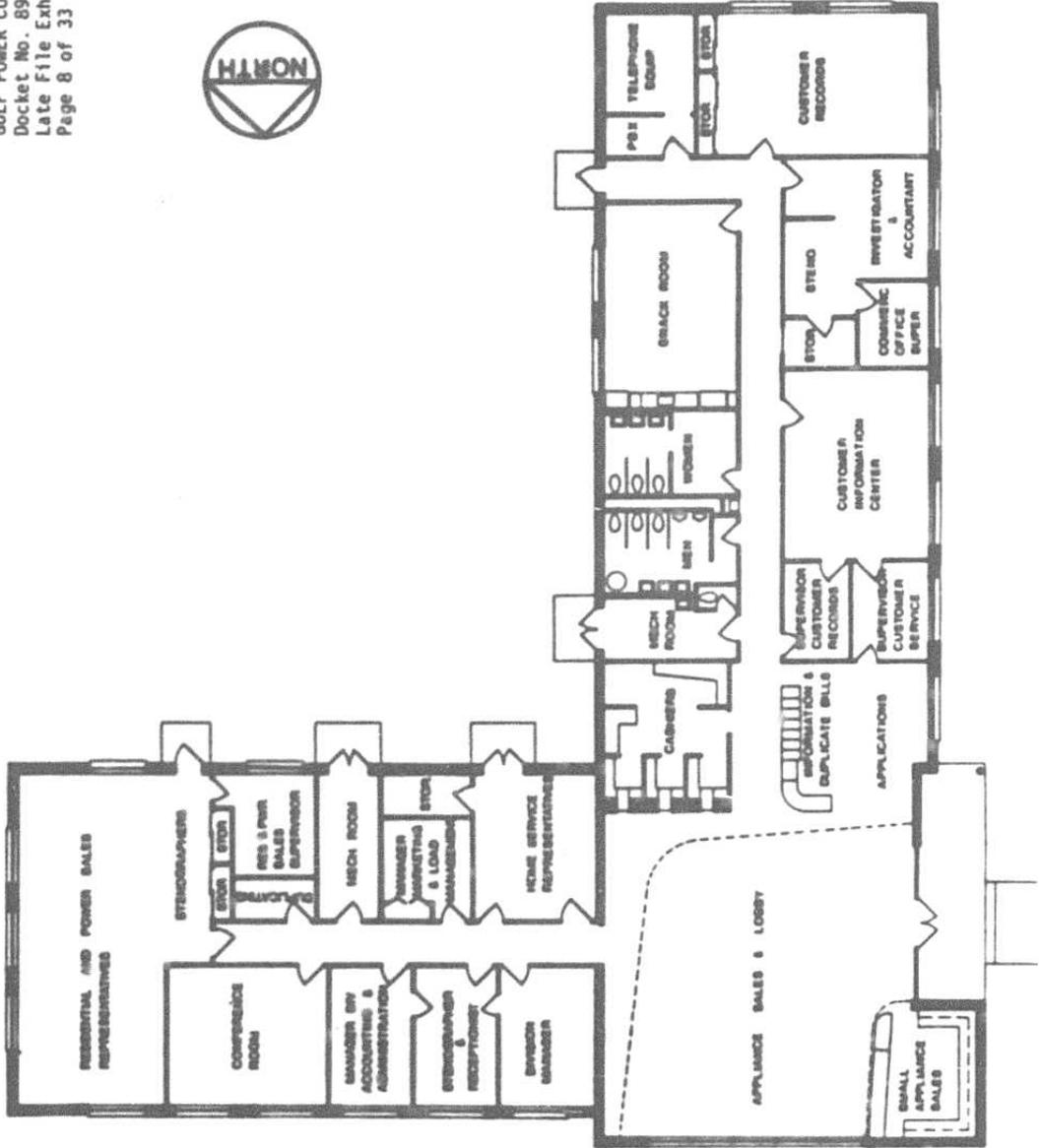
SITE PLAN
MAIN FACILITY

MAIN PANAMA CITY FACILITY

PHYSICAL SURVEY AND EVALUATION OF SITE

- (A) LOCATION AND ARRANGEMENT: (SEE SITE PLAN, SHEET 2.) THE SITE PRESENTLY IS ADEQUATE BUT MINIMAL. NO FURTHER EXPANSION OF PRESENT BUILDINGS IS POSSIBLE WITH PRESENT PARKING REQUIREMENTS.
- (B) ACREAGE: 2½ ACRES, COMPLETELY DEVELOPED, WITH .4 ACRES BEING UTILIZED FOR AN ELECTRICAL SUB-STATION. THIS REDUCES THE EFFECTIVE ACREAGE TO 2.1 ACRES. NO ADDITIONAL ACREAGE IS AVAILABLE IMMEDIATELY ADJACENT TO THE SITE.
- (C) GEOGRAPHIC LOCATION: THE SITE IS LOCATED IN THE DOWNTOWN PANAMA CITY AREA APPROXIMATELY ¼ MILE FROM THE BAY. LOCATION IS FUNCTIONALLY POOR FOR THE FOLLOWING REASONS:
- (1) TRAVEL DISTANCE TO SERVICE AREA.
 - (2) PUBLIC ACCESS FOR CUSTOMERS IS INADEQUATE.
 - (3) TRAFFIC CONGESTION IS ENCOUNTERED IN REACHING SERVICE AREAS FROM PRESENT SITE.
- (D) GENERAL CONDITION AND EVALUATION:
- (1) PAVING IS IN GOOD CONDITION AND IS PROVIDED WITH CURBING.
 - (2) GROUNDS ARE LIMITED BUT WELL MAINTAINED.
 - (3) OPEN STORAGE AREAS FOR TRANSFORMERS AND OTHER EQUIPMENT IS INSUFFICIENT. PRESENT DESIGNATED AREA DOES NOT ALLOW FOR PROPER HANDLING AND STORAGE. THERE IS NO POLE YARD ON SITE. PRESENTLY, POLE STORAGE IS AT SUB-STATION FACILITIES IN SELECTED SERVICE AREAS.
 - (4) PARKING AND CIRCULATION ARE ADEQUATE. CROSS TRAFFIC CONDITIONS FOR PEDESTRIANS AND VEHICLES ARE VERY POOR. NO PUBLIC PARKING IS IMMEDIATELY AVAILABLE TO MAIN BUILDING ENTRANCE.
- (5) SITE DRAINAGE IS SURFACE TYPE EXCEPT FOR STORM DRAIN IN LINE-SERVICE VEHICLE YARD. WHEN CITY STORM SEWER LINES BACK UP, WHICH OCCURS FREQUENTLY, THE LINE-SERVICE PARKING AREA FLOODS.
- (6) BUILDING ELEVATIONS: THE OFFICE FLOOR ELEVATION IS 15.66 FT. ABOVE SEA LEVEL. THE LINE-SERVICE BUILDING IS 10.0 FT. AND REPRESENTS A HAZARDOUS CONDITION. AT THIS ELEVATION SEVERE STORM TIDES COULD RENDER THE DISTRIBUTION CONTROL CENTER COMPLETELY INEFFECTIVE.
- (7) UTILITIES:
- WATER SYSTEM - CITY
 - SEWER SYSTEM - CITY
 - ELECTRICAL UTILITIES - GULF POWER

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OFFICE

PHYSICAL SURVEY, EXISTING BUILDING

- I. SQUARE FEET, AREA: GROSS - 9,086 SQ. FT.
NET - 8,072 SQ. FT.

II. TYPE OF CONSTRUCTION:

- (A) FOUNDATION - SPREAD FOOTINGS UNDER MASONRY WALL
(B) FLOORS - CONC. SLAB ON FILL WITH VINYL ASBESTOS THROUGHOUT EXCEPT AS FOLLOWS:
(1) RESTROOMS - CERAMIC TILE
(2) LOBBY/APPLIANCE SALES - TERRAZZO
(C) WALLS: EXTERIOR - BRICK VENEER AND CONCRETE BLOCK - LOAD BEARING.
INTERIOR - CONCRETE BLOCK (4") PLASTERED; TILE WALLS IN RESTROOM.
(D) ROOF - BUILT-UP, FLAT ROOF CONSTRUCTION
(E) STRUCTURAL SYSTEM - POREX DECK SYSTEM OVER STEEL JOISTS
(F) MECHANICAL SYSTEM - DUCTED H.V.A.C. SYSTEM ABOVE CEILING OF CORRIDORS; RETURN AIR IN CORRIDORS. UNITS ARE HEAT PUMPS, AIR TO AIR, SUPPLEMENTED BY ELECTRIC STRIP HEATING.
(G) ELECTRICAL SYSTEM - 3 PHASE, 120/208V, 600-AMP SERVICE

III. CONDITION OF CONSTRUCTION: (GRADE - 3.4)

- (A) EXTERIOR: GRADE (AVG. 4)
- | | |
|-------------|---|
| (1) WALLS | 5 |
| (2) ROOF | 4 |
| (3) WINDOWS | 4 |
| (4) DOORS | 3 |
- (B) INTERIOR: GRADE (AVG. 2.8)
- | | | |
|-----------------------|---|-------------------------|
| (1) FLOORS | 2 | (3 FOR TERRAZZO & TILE) |
| (2) WALLS | 3 | |
| (3) CEILINGS | 3 | |
| (4) TOILET FACILITIES | 4 | |
| (5) LIGHTING | 3 | |
| (6) H.V.D.C. | 2 | |

IV. CODE COMPLIANCE: (GRADE - 2)

(A) SOUTHERN STANDARD BUILDING CODE: (S.S.B.C.)

THE OFFICE STRUCTURE MEETS THE CRITERIA OF THE S.S.B.C. WITH THE FOLLOWING EXCEPTIONS:

- (1) TOILETS DO NOT COMPLY WITH PHYSICAL HANDICAPPED REQUIREMENTS.
(2) ENTRY IS NOT RAMPED FOR PUBLIC ACCESS BY PHYSICALLY HANDICAPPED.
(3) NO PARKING IS PROVIDED FOR PHYSICALLY HANDICAPPED.
(4) DRINKING FOUNTAINS DO NOT MEET PHYSICALLY HANDICAPPED REQUIREMENTS.
(B) STATE OF FLORIDA STATUTES RELATING TO ACCESSIBILITY OF THE PHYSICALLY HANDICAPPED IS BASICALLY THE SAME AS ABOVE.

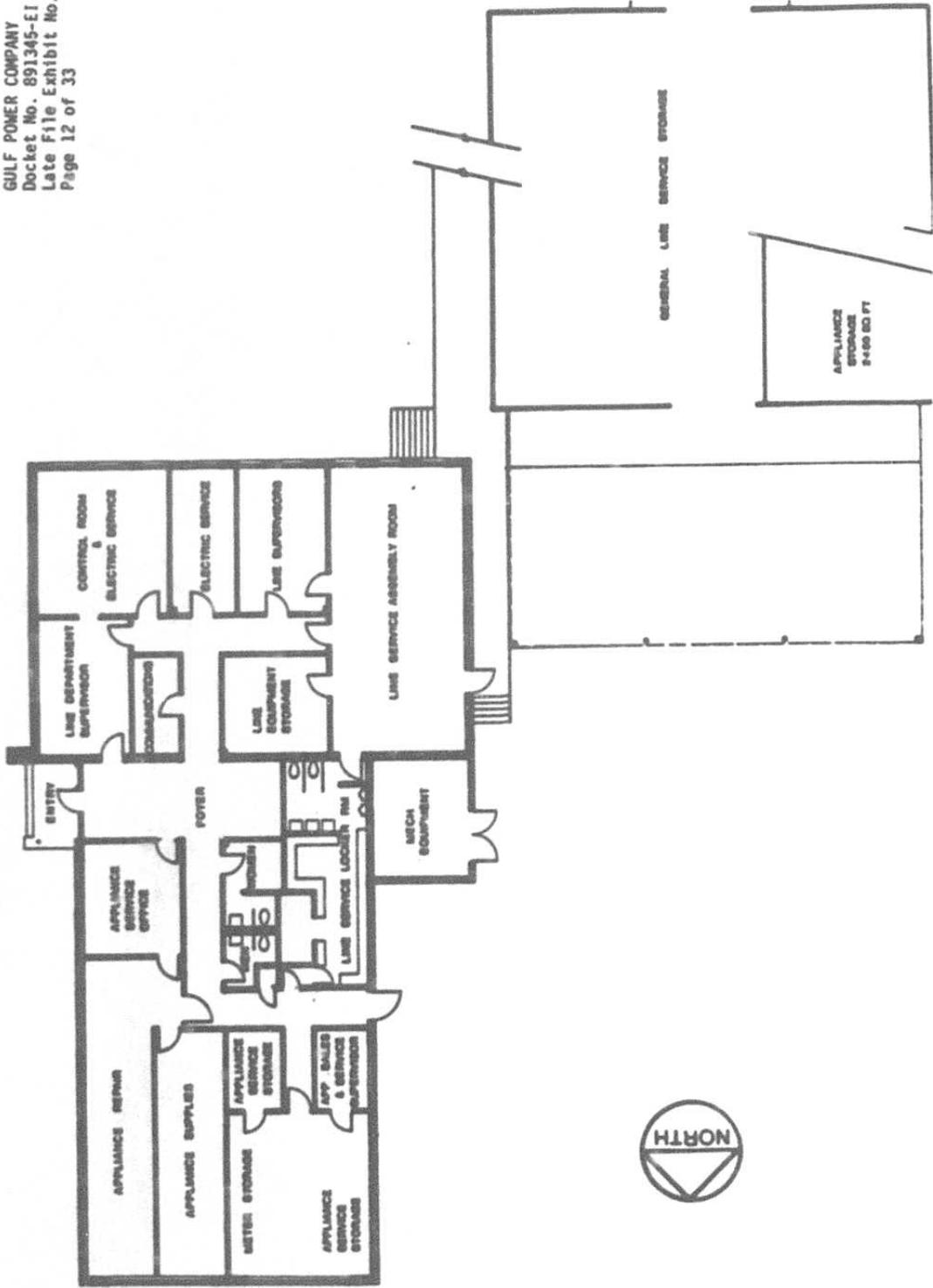
V. EXPANSION CAPABILITIES: (GRADE - 4)

THE FACILITY CANNOT BE EXPANDED TO THE NORTH OR WEST DUE TO EXISTING STREETS. EXPANSION IS POSSIBLE TO THE SOUTH OR EAST. ALTHOUGH THE CONSTRUCTION IS LOAD BEARING EXTERIOR WALLS, WINDOW LINTEL SPANS AND LOCATIONS ARE ADEQUATE TO ALLOW REASONABLE FLEXIBILITY IN EXPANSION. SOME DIFFICULTY MAY BE ENCOUNTERED WITH INTERIOR RENOVATION BECAUSE OF THE 4" MASONRY INTERIOR PARTITIONS. ROOF SPANS ARE TO OUTSIDE WALLS, ALLOWING GOOD FLEXIBILITY FOR RE-ALIGNMENT OF INTERIOR SPACES. VERTICAL EXPANSION IS NOT POSSIBLE ABOVE THE PRESENT BUILDING DUE TO INADEQUATE LOAD-CARRYING CAPABILITIES OF THE ROOF STRUCTURE.

VI. REMAINING USEFUL LIFE:

- (A) PRESENT AGE - 17 YEARS
(B) REMAINING USEFUL LIFE WITH NORMAL MAINTENANCE - 18 YEARS

FLOOR PLAN - LINE SERVICE
BUILDING & WAREHOUSE



LINE SERVICE BUILDING

PHYSICAL SURVEY, EXISTING BUILDING

I. SQUARE FEET OF AREA: GROSS - 6324 SQ. FT.
NET - 5083 SQ. FT.

II. TYPE OF CONSTRUCTION:

- (A) FOUNDATION - SPREAD FOOTINGS UNDER MASONRY WALLS
- (B) FLOORS - CONC. SLAB ON FILL WITH VINYL ABSESTOS THROUGHOUT
- (C) WALLS: EXTERIOR - EXPOSED CONCRETE BLOCK, LOAD BEARING
INTERIOR - CONCRETE BLOCK (4") EXPOSED
- (D) ROOF - BUILT-UP, FLAT ROOF CONSTRUCTION
- (E) STRUCTURAL SYSTEM - POREX DECK SYSTEM OVER STEEL JOISTS
- (F) MECH. SYSTEM - FORCED AIR, DUCTED, HEAT PUMP
- (G) ELECTRICAL SYSTEM - 3 PHASE, 120/208V, 400-AMP SERVICE

III. CONDITION OF CONSTRUCTION: (GRADE - 2.5)

(A) EXTERIOR:	<u>GRADE</u> (AVG. 3)
(1) WALLS	4
(2) ROOFS	4
(3) WINDOWS	2
(4) DOORS	2
(B) INTERIOR:	<u>GRADE</u> (AVG. 2)
(1) FLOOR	1
(2) WALLS	2
(3) CEILING	2
(4) TOILET FACILITIES	2
(5) LIGHTING	2
(6) H.V.A.C.	3

IV. CODE COMPLIANCE:

(A) SOUTHERN STANDARD BUILDING CODE (S.S.B.C.): (GRADE - 2)

THE OFFICE STRUCTURE MEETS THE CRITERIA OF THE S.S.B.C. WITH THE FOLLOWING EXCEPTIONS:

- (1) TOILETS DO NOT COMPLY WITH PHYSICAL HANDICAPPED REQUIREMENTS.
- (2) ENTRY IS NOT RAMPED FOR PUBLIC ACCESS BY PHYSICALLY HANDICAPPED.
- (3) NO PARKING IS PROVIDED FOR PHYSICALLY HANDICAPPED.
- (4) DRINKING FOUNTAINS NOT PROVIDED FOR PHYSICALLY HANDICAPPED.
- (B) STATE OF FLORIDA STATUTES RELATING TO ACCESSIBILITY OF THE PHYSICALLY HANDICAPPED IS BASICALLY THE SAME AS ABOVE.

V. EXPANSION CAPABILITIES: (GRADE - 3)

THIS FACILITY CAN BE EXPANDED TO THE WEST OR SOUTH. EXPANSION TO THE EAST IS BLOCKED BY AN EXISTING STREET AND TO THE NORTH BY THE SUB-STATION. WINDOW LOCATIONS AND LINTEL SPANS ARE ADEQUATE TO ALLOW FLEXIBILITY IN EXPANSION. ROOF SPANS ARE TO OUTSIDE WALLS, ALLOWING FLEXIBILITY FOR PLANNING INTERIOR SPACES. INTERIOR PARTITIONS ARE 4" NON-LEAD BEARING MASONRY AND CAN BE REMOVED. VERTICAL EXPANSION IS NOT POSSIBLE ABOVE THE PRESENT BUILDING.

VI. REMAINING USEFUL LIFE:

- (A) PRESENT AGE - 26 YEARS
- (B) REMAINING USEFUL LIFE WITH NORMAL MAINTENANCE - 14 YEARS

WAREHOUSE

PHYSICAL SURVEY, EXISTING BUILDING

I. SQUARE FEET, AREA: GROSS - 7564 SQ. FT.
NET - 7200 SQ. FT.

II. TYPE OF CONSTRUCTION:

- (A) FOUNDATION - CONCRETE FOOTINGS UNDER STEEL COLUMNS
- (B) FLOORS - SLAB ON FILL WITH CONCRETE RETAINING WALL
- (C) WALLS: EXTERIOR - SHEET METAL ON STEEL FRAME
INTERIOR - NONE
- (D) ROOF - SHEET METAL ON STEEL FRAME
- (E) STRUCTURAL SYSTEM - STEEL COLUMN AND BEAM
- (F) MECH. SYSTEM - NONE
- (G) ELECTRICAL SYSTEM - SERVED FROM LINE-SERVICE BUILDING

III. CONDITION OF CONSTRUCTION: (GRADE - 3)

(A) EXTERIOR: GRADE (AVG. 3.66)

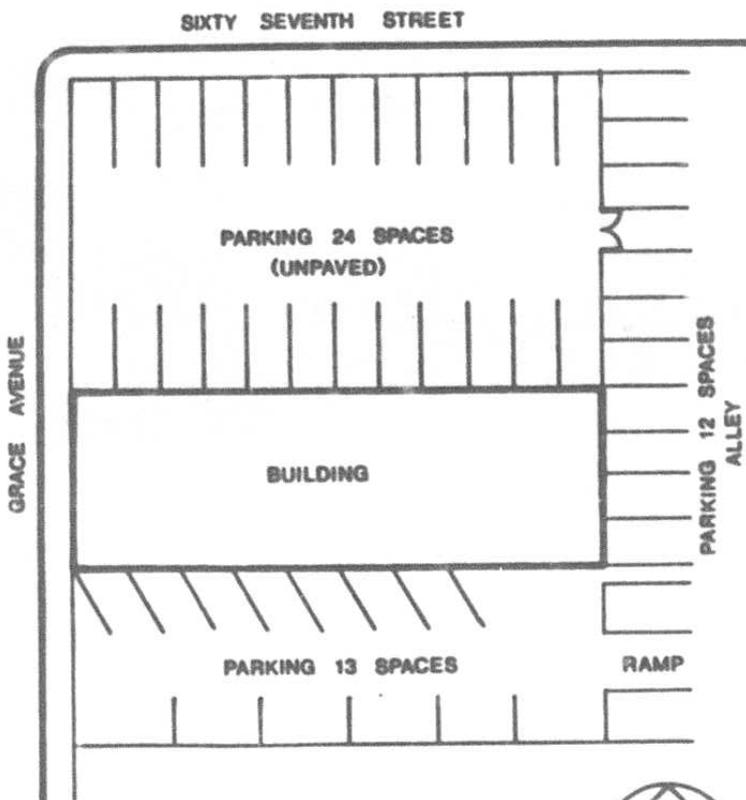
(1) WALLS	4
(2) ROOFS	4
(3) WINDOWS	N/A
(4) DOORS	3

(B) INTERIOR: GRADE (AVG. 2.3)

(1) FLOOR	2
(2) WALLS	3
(3) CEILING	N/A
(4) TOILET FACILITIES	N/A
(5) LIGHTING	2
(6) H.V.A.C.	N/A

IV. REMAINING USEFUL LIFE

- (A) PRESENT AGE - 26 YEARS
- (B) REMAINING USEFUL LIFE WITH NORMAL MAINTENANCE - 14 YEARS
MINIMUM



GRACE AVENUE FACILITY
SITE PLAN



GRAPHIC SCALE 1" = 30'-0"

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LEASED FACILITY (GRACE AVE.)

PHYSICAL SURVEY AND EVALUATION OF SITE

(A) LOCATION AND ARRANGEMENT: (SEE SITE PLAN)

THE SITE IS ADEQUATE FOR THE PRESENT REQUIREMENT. NO FURTHER BUILDING EXPANSION IS POSSIBLE WITH EXISTING PARKING REQUIREMENTS.

(B) ACREAGE: 1/4 ACRE. THE ENTIRE SITE IS DEVELOPED WITH STRUCTURE AND PARKING.

(C) GEOGRAPHIC LOCATION: APPROXIMATELY 1/4 MILE FROM MAIN FACILITY IN CENTER OF DOWNTOWN AREA. GEOGRAPHIC LOCATION IS FUNCTIONALLY POOR FOR SAME REASONS STATED FOR MAIN FACILITY.

(D) GENERAL CONDITION:

(1) PAVING IS IN GOOD CONDITION. GRAVEL PORTION IS NOT ADEQUATE FOR PEDESTRIAN TRAFFIC.

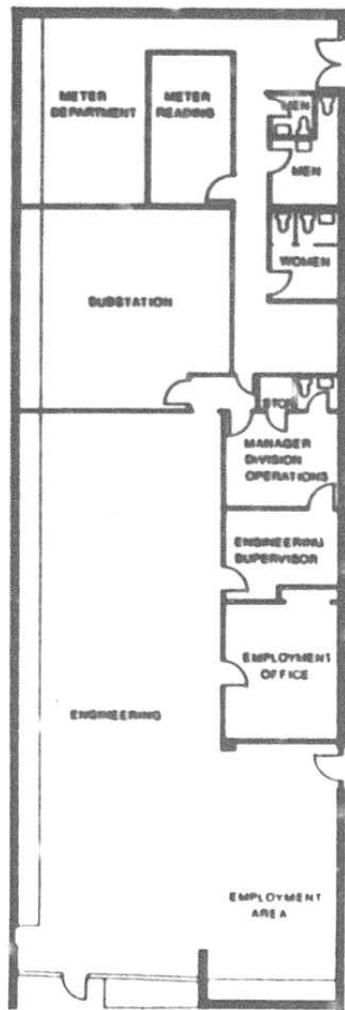
(2) CIRCULATION IS GOOD ON NORTH (UNPAVED) PORTION OF SITE. CIRCULATION AND PARKING ARRANGEMENT IS EXTREMELY POOR ON THE PAVED PORTION OF THE SITE.

(3) PARKING - 48 SPACES.

(E) SITE DRAINAGE: SURFACE DRAINAGE TO STREETS IS ADEQUATE.

(F) UTILITIES: SAME AS MAIN FACILITY.

GRACE AVENUE FACILITY
SITE PLAN - EVALUATION



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LEASED FACILITY (GRACE AVE.)

PHYSICAL SURVEY, EXISTING BUILDING

I. SQUARE FEET. AREA: GROSS - 4800 SQ. FT.
NET - 4440 SQ. FT.

II. TYPE OF CONSTRUCTION:

- (A) FOUNDATION - CONC. SPREAD FOOTING (CONTINUOUS)
- (B) FLOORS - CONCRETE SLAB ON GRADE
- (C) WALLS: EXTERIOR - CONCRETE BLOCK, BEARING, PAINTED
INTERIOR - FURRED WOOD PANEL ON BLOCK AND WOOD STUDS
- (D) ROOF - FLAT BUILT-UP ROOF
- (E) STRUCTURAL SYSTEM - STEEL JOISTS ON EXTERIOR BEARING WALLS
- (F) MECH. SYSTEM - FORCED AIR, DUCTED "DX" SYSTEM
- (G) ELECTRICAL SYSTEM - 3 PHASE, 120/208V, 400-AMPS

III. CONDITION OF CONSTRUCTION: (GRADE - 2.6)

(A) EXTERIOR: GRADE (AVG. 2.75)

(1) WALLS	3
(2) ROOFS	3
(3) WINDOWS	3
(4) DOORS	2

(B) INTERIOR: GRADE (AVG. 2.5)

(1) FLOOR	2
(2) WALLS	3
(3) CEILING	3
(4) TOILET FACILITIES	2
(5) LIGHTING	2
(6) H.V.A.C.	3

IV. REMAINING USEFUL LIFE:

- (A) PRESENT AGE - N/A (LEASED FACILITY)
- (B) REMAINING USEFUL LIFE WITH NORMAL MAINTENANCE - N/A

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FLOOR PLAN - PHYSICAL SURVEY

COMMERCIAL OFFICE		1978	1980	1990	2000	INCREASE
5	PERSONNEL	17	19	22	25	67%
4	OFFICE SPACE	1795	2090	2420	2750	53%
4	INSIDE STORAGE	35	100	200	200	470%
3	CIRCULATION	410	200	240	275	-53%
3	RESTROOMS	102	100	120	140	37%
2	MECH. & OTHER	100	100	170	140	40%
2	OUTSIDE STORAGE	-	-	-	-	-
1	VEHICLES	-	-	-	-	-
1	PUBLIC	4	4	6	6	50%
0	PRIVATE	17	19	22	25	47%
0	COMPANY	-	-	-	-	-

DIVISION STAFF		1978	1980	1990	2000	INCREASE
5	PERSONNEL	10	10	12	15	50%
4	OFFICE SPACE	1647	1500	1440	1800	9%
4	INSIDE STORAGE	30	40	50	60	100%
3	CIRCULATION	260	120	140	180	-30%
3	RESTROOMS	93	60	70	90	-
2	MECH. & OTHER	93	60	70	90	-
2	OUTSIDE STORAGE	-	-	-	-	-
1	VEHICLES	-	-	-	-	-
1	PUBLIC	-	-	-	-	-
0	PRIVATE	6	6	8	10	66%
0	COMPANY	4	4	5	6	50%

▲ INDICATES GRADE WITH NO NEW CONSTRUCTION OR RENOVATION. BUILDING GRADES ARE INCLUDED IN FUNCTIONAL ADEQUACY INDICATED.

ENGINEERING		1978	1980	1990	2000	INCREASE
5	PERSONNEL	13	13	16	20	12%
4	OFFICE SPACE	1784	1300	1600	2000	-
4	INSIDE STORAGE	12	0	0	0	-
3	CIRCULATION	150	150	160	200	33%
3	RESTROOMS	100	65	80	100	0%
2	MECH. & OTHER	0	65	80	100	-
2	OUTSIDE STORAGE	-	-	-	-	-
1	VEHICLES	-	-	-	-	-
1	PUBLIC	2	2	3	4	100%
0	PRIVATE	9	9	13	15	60%
0	COMPANY	7	7	9	11	57%

PROBETING AND LOAD MANAGEMENT		1978	1980	1990	2000	INCREASE
5	PERSONNEL	20	23	34	40	-
4	OFFICE SPACE	7968	4200	6100	7500	-
4	INSIDE STORAGE	709	700	950	1100	-
4	APPLIANCE STORAGE	2450	3000	5000	4000	-
3	CIRCULATION	588	420	610	750	-
3	RESTROOMS	186	210	300	400	-
2	MECH. & OTHER	122	210	300	400	-
2	OUTSIDE STORAGE	-	-	-	-	-
1	VEHICLES	-	-	-	-	-
1	PUBLIC	0	14	20	24	-
0	PRIVATE	18	18	22	28	55%
0	COMPANY	3	4	6	8	166%

LINE SERVICE	1978	1980	1990	2000	INCREASE
5 PERSONNEL	75	82	100	125	
OFFICE SPACE	2968	6060	7232	9820	2051
INSIDE STORAGE (WAREHOUSE)	437	958	1050	1150	1661
CIRCULATION	4750	8000	8000	8000	681
RESTROOMS	466	600	720	900	911
MECH. & OTHER	393	555	677	846	1151
OUTSIDE STORAGE	146	300	350	450	2001
VEHICLES	20200	20200	24000	24000	191
PUBLIC	-	-	-	-	-
PRIVATE	57	67	85	110	911
COMPANY	34	40	49	60	761

LINE SERVICE	1978	1980	1990	2000	INCREASE
5 PERSONNEL	155	147	184	275	660
OFFICE SPACE	11163	14850	18782	23078	1061
INSIDE STORAGE (WAREHOUSE)	1243	1790	2250	2510	1071
CIRCULATION	7200	11000	11000	12000	661
RESTROOMS	1874	2470	1870	2385	231
MECH. & OTHER	874	990	1247	1576	801
OUTSIDE STORAGE	461	735	970	1180	1561
VEHICLES	20200	20200	24000	24000	191
PUBLIC	6	20	29	34	4661
PRIVATE	107	119	150	188	761
COMPANY	48	61	87	85	771

SUMMARY:

THE FOLLOWING FIGURES REPRESENT THE EXISTING 1978 SQUARE FOOTAGES, PROJECTIONS TO THE YEAR 2000, AND THE INCREASE IN PERCENTAGE OF GROWTH.

TOTAL NET AREA BY DEPARTMENTS

(INCLUDES RESTROOMS, MECH., STORAGE & CIRCULATION)

	<u>1978</u>	<u>2000</u>	<u>INCREASE</u>
DIVISION STAFF	2,123	2,220	4.5%
COMMERCIAL OFFICE	2,443	3,505	43.5%
MARKETING & LOAD MANAGEMENT	4,573	10,150	122%
ENGINEERING	2,046	2,400	17%
LINE SERVICE	<u>4,497</u>	<u>12,356</u>	<u>175%</u>
SUBTOTAL	15,682	30,641	95%

ANCILLARY FACILITIES

LOBBY	788	1,500	
SNACK ROOM	400	800	
PBX	55	110	
DUPLICATING	50	100	
TELEPHONE EQUIPMENT	137	270	
CONFERENCE ROOM	<u>340</u>	<u>700</u>	
SUBTOTAL	1,770	3,480	97%
TOTAL NET SQ. FT.	<u>17,452</u>	<u>34,121</u>	95%

AS ILLUSTRATED BY THESE TOTALS, THERE EXISTS A DEFINITE NEED FOR ADDITIONAL SPACE FOR LINE SERVICE AND MARKETING/LOAD MANAGEMENT. OF THE NET SPACE INCLUDED IN THE TOTALS FOR 1978, 4,437 SQ. FT. IS IN THE LEASED GRACE AVENUE FACILITY. THIS LEAVES A TOTAL OF 13,015 NET SQ. FT. WHICH IS IN A DEFICIT OF 21,106 SQ. FT. WHEN

GULF POWER COMPANY
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GROSS SQUARE FOOTAGE IS AS FOLLOWS:

EXISTING FACILITIES

OFFICE BUILDING	9,086 SQ. FT.
LINE SERVICE BUILDING	6,324 SQ. FT.
GRACE AVENUE BUILDING	4,880 SQ. FT.
WAREHOUSE (EXCLUDED FROM TOTAL)	<u>7,564</u> SQ. FT.
TOTAL	20,290 SQ. FT.

FACILITY REQUIREMENTS FOR YEAR 2000

TOTAL NET SQUARE FOOTAGE	34,121 SQ. FT.
ADD 10% FOR WALLS	<u>3,412</u> SQ. FT.
TOTAL	37,533 SQ. FT.

DIFFERENTIAL INCLUDING LEASED FACILITY	17,243 SQ. FT.
DIFFERENTIAL EXCLUDING LEASED FACILITY	22,123 SQ. FT.

PARKING WILL INCREASE FROM A 1978 LEVEL OF 161 VEHICLES TO 307 IN THE YEAR 2000. THE EXISTING FACILITY HAS PARKING TO ACCOMMODATE 114 VEHICLES PRESENTLY, INDICATING A TOTAL INCREASE OF 193 VEHICLES. LEASED FACILITY PARKING IS EXCLUDED FROM THE EXISTING PARKING ABOVE.

ADDITIONAL DATA PROVIDED BY GULF POWER INDICATES THAT A COST DIFFERENTIAL EXISTS IN TRAVEL TIME BETWEEN THE EXISTING LINE SERVICE LOCATION AND AN ASSUMED SITE LOCATED FURTHER NORTH AT BALDWIN ROAD. THIS COST DIFFERENTIAL IS APPROXIMATELY \$50,000.00 PER YEAR AND APPLIES TO LINE SERVICE CREW'S SALARIES ONLY.

APPLIED OVER A 10 YEAR PERIOD, AT AN ANNUAL INCREASE IN COST OF 8%, THIS WOULD RESULT IN A TOTAL OPERATING COST DIFFERENTIAL OF \$724,315.00. THE OPERATING COST DIFFERENTIAL FOR THE 10TH YEAR ALONE WOULD BE APPROXIMATELY \$99,947.00.

DATA RELATED TO OPERATING COSTS FOR TRAVEL TIME TO REACH THE PANAMA CITY BEACH AREA FROM A NEW LOCATION AT BALDWIN ROAD ARE EQUALLY IMPRESSIVE. THE OPERATING COST DIFFERENTIAL FOR THIS WAS ESTIMATED AT \$32,000.00 FOR 1978. BASED ON A NEW FACILITY LOCATED AT THE LULLWATER SUB-STATION.

SUMMARY

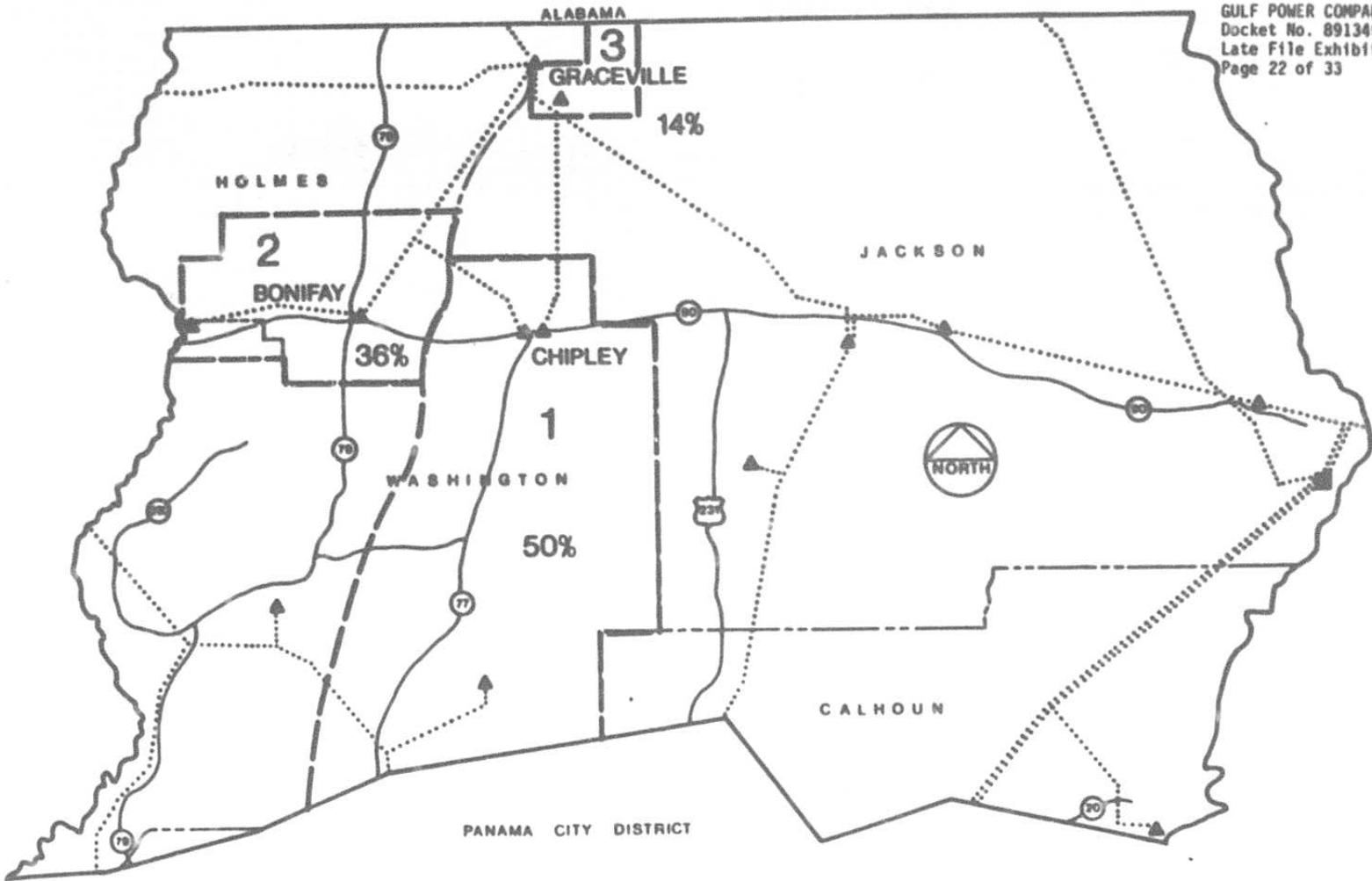
CONCLUSIONS

THE FOLLOWING CONCLUSIONS ARE DRAWN FROM THE DATA PRESENTED IN THIS REPORT.

- (1) THE LINE SERVICE FACILITY IS PRESENTLY INADEQUATE. PROJECTED SQUARE FOOTAGE REQUIREMENTS FOR 1980 ALONE INDICATE A NEED FOR AN ADDITIONAL NET SQUARE FOOTAGE OF 3,968 SQ. FT.
- (2) BASED ON THE PROJECTED COSTS RELATIVE TO TRAVEL TIME THERE IS DEFINITE JUSTIFICATION FOR RELOCATION OF LINE SERVICE. ADDITIONAL SAVINGS MAY ALSO BE REALIZED BY AN ADDITIONAL LINE SERVICE FACILITY LOCATED AT THE PANAMA CITY BEACH LULLWATER SUB-STATION.
- (3) THE LINE SERVICE OPERATION IS DEFINITELY VULNERABLE TO STORM TIDES IN THE EVENT OF A MAJOR HURRICANE.
- (4) WAREHOUSING FACILITIES ARE INADEQUATE FOR THE PRESENT LINE SERVICE REQUIREMENTS. THE REQUIREMENT OF SHARED SPACE WITH APPLIANCE STORAGE IS PARTIALLY ACCOUNTABLE FOR THIS.
- (5) MARKETING AND LOAD MANAGEMENT NEED AN ADDITIONAL NET SQUARE FOOTAGE OF 1,167 SQ. FT. TO MEET 1980 REQUIREMENTS.
- (6) ENGINEERING, COMMERCIAL OFFICES, AND DIVISION STAFF COLLECTIVELY ARE ADEQUATELY HOUSED RELATIVE TO SQUARE FOOTAGE REQUIREMENTS UNTIL 1990.
- (7) CERTAIN FUNCTIONAL ASPECTS OF THE PRESENT FACILITY LOCATIONS ARE DEFINITELY INADEQUATE RELATIVE TO OTHER DEPARTMENT FUNCTIONS.
- (8) PRESENT PARKING REQUIREMENTS ARE NOT ADEQUATE FOR THE PROJECTED 1980 REQUIREMENTS. PUBLIC PARKING IS TOTALLY INADEQUATE AND GENERAL TRAFFIC CIRCULATION IS POOR.
- (9) THERE IS A REQUIREMENT FOR AN ADDITIONAL 17,242 GROSS SQUARE FEET OF SPACE FOR THE YEAR 2000. THIS REPRESENTS AN INCREASE IN SQUARE FOOTAGE OF 95% ABOVE EXISTING FACILITIES INCLUDING LEASED SPACE.
- (10) GULF POWER'S ESTIMATE OF CUSTOMER GROWTH FROM 1978 TO THE YEAR 2000 IS 113%. THIS INCREASE IN PERSONNEL AND SPACE IS JUSTIFIED RELATIVE TO THIS GROWTH PATTERN AND IS CONSERVATIVE IN ITS ESTIMATE.

RECOMMENDATIONS:

- (1) RELOCATE LINE SERVICE FACILITY AND RELATED WAREHOUSING TO A NEW SITE MORE ACCESSIBLE TO SERVICE AREA.
- (2) INVESTIGATE POSSIBLE RELOCATION OF OTHER DEPARTMENTS TO NEW LINE SERVICE LOCATION.
- (3) INVESTIGATE POTENTIAL OF ADDITIONAL LINE SERVICE FACILITY AT PANAMA CITY BEACH LOCATION.
- (4) INITIATE A STUDY TO DETERMINE THE FOLLOWING:
 - (A) SITE SELECTION FOR NEW LINE SERVICE FACILITY AND BUILDING/COST REQUIREMENTS.
 - (B) BEST USE OF PRESENT FACILITY RELATIVE TO IMPROVEMENT OF FUNCTION AND RELATED COST REQUIREMENTS FOR REMODELING/RENOVATION.
 - (C) ESTABLISH BUILDING/COST REQUIREMENTS FOR ANY ADDITIONAL FACILITY REQUIREMENTS.
- (5) ALL OF THE ABOVE SHALL BE BASED ON DESIGN CRITERIA AS ESTABLISHED BY GULF POWER COMPANY. THIS WILL DETERMINE FACILITY DESIGN TO AN INCREMENT OF 10 YEAR PERIODS OR A DESIGN BASED ON PROJECTIONS TO THE YEAR 2000.



NORTHERN DISTRICT
PROJECTED CUSTOMER GROWTH

NORTHERN DISTRICT

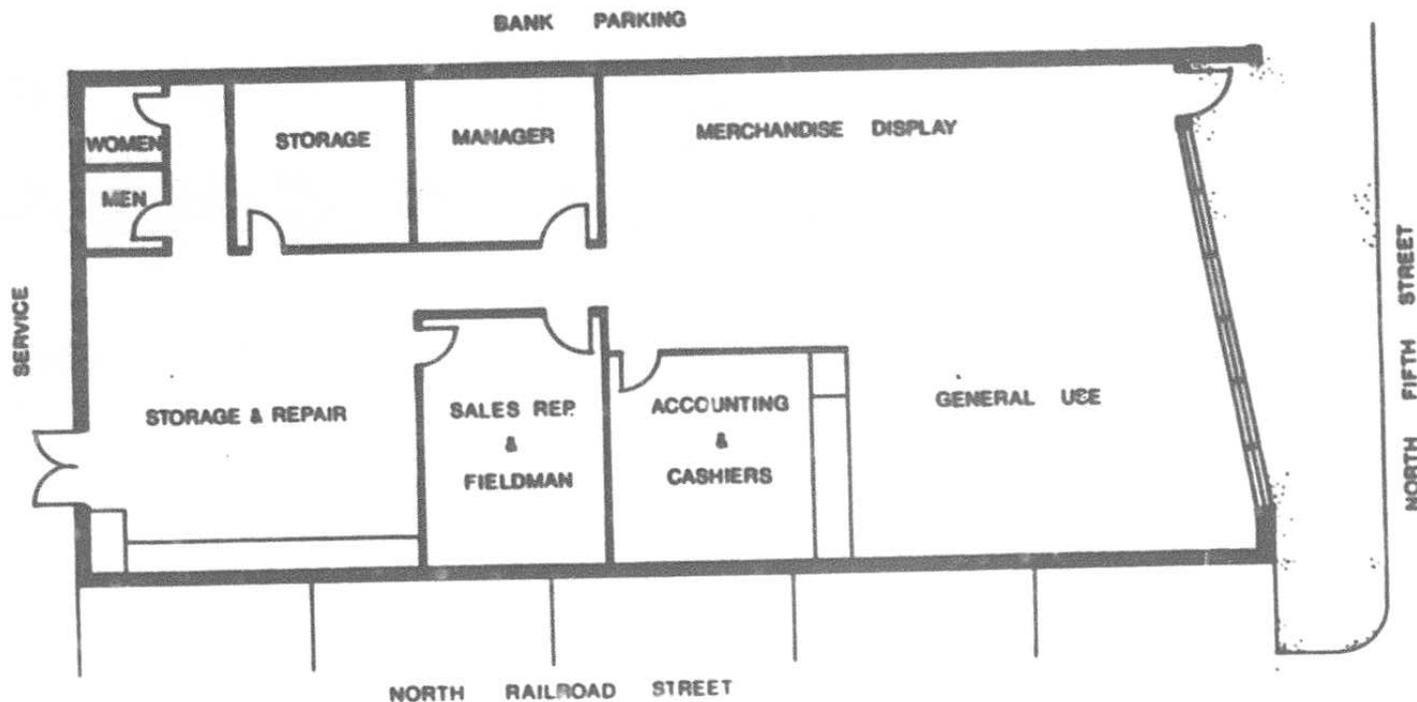
THE NORTHERN DISTRICT SERVICE AREA IS CONCENTRATED PRIMARILY IN THE AREA OF CHIPLEY AND SOUTH OF CHIPLEY TO SUNNY HILLS. SERVICE IN BONIFAY AND GRACEVILLE IS PRIMARILY WITHIN THE INCORPORATED AREAS. OVERALL SERVICE IS FRAGMENTED AND HIGHLY COMPETITIVE DUE TO THE PRESENCE OF 2 RURAL ELECTRIC COMPANIES IN THE DISTRICT.

GROWTH FOR THE NORTHERN DISTRICT IS DIFFICULT TO PROJECT. SUNNY HILLS, A DELTONA CORPORATION DEVELOPMENT, HAS THE POTENTIAL OF CREATING CUSTOMER GROWTH FAR BEYOND PRESENT ESTIMATES. SUNNY HILLS HAS DEVELOPED LAND AVAILABLE TO SUPPORT AN ESTIMATED POPULATION BASE OF OVER 75,000 RESIDENTS. IF TOTAL OCCUPANCY OCCURRED, THE FACILITIES' REQUIREMENTS PROJECTED TO THE YEAR 2000 FOR THE NORTHERN DISTRICT WOULD BE INADEQUATE.

THE CHIPLEY FACILITY IS COMPOSED OF TWO SEPARATE SITES. ONE SITE IS A LEASED BUILDING LOCATED IN THE CHIPLEY BUSINESS DISTRICT. THE OTHER SITE IS A LEASED TRACT OF LAND WITH A 3200 SQ. FT. WAREHOUSE FACILITY WHICH FUNCTIONS AS A LINE SERVICE/WAREHOUSE BUILDING. THE SITE IS UNPAVED AND HAS NO FENCING.

THE BONIFAY AND GRACEVILLE OFFICES ARE VERY SIMILAR IN FUNCTION AND SPACE. THESE OFFICES PRIMARILY FUNCTION AS A BASE FOR CUSTOMERS TO PAY BILLS AND HAVE SERVICE TURNED ON AND OFF. APPLIANCE SALES IS ALSO PART OF THE FUNCTION. BOTH OFFICES ARE LOCATED IN THE BUSINESS DISTRICTS OF THE RESPECTIVE CITY.

EACH FACILITY WILL BE SURVEYED, THEN ANALYZED AND GRADED FOR ADEQUACY RELATIVE TO ITS PHYSICAL CONDITION AND THE FUNCTION IT HOUSES. OTHER ASPECTS RELATIVE TO EXPANSION AND CODES WILL NOT BE REVIEWED BECAUSE ALL THE FACILITIES ARE LEASED.



CHIPLEY OFFICE - FLOOR PLAN



CHIPLEY

CHIPLEY OFFICE

PHYSICAL SURVEY, EXISTING BUILDING

I. SQUARE FEET. AREA: GROSS - 3367 SQ. FT.
NET - 3206 SQ. FT.

II. TYPE OF CONSTRUCTION:

- (A) FOUNDATION - CONC. SPREAD FOOTINGS
- (B) FLOORS - SLAB ON GRADE
- (C) WALLS: EXTERIOR - BRICK VENEER ON CONC. BLOCK/LEAKS
INTERIOR - WOOD STUDS/GYPSUM BOARD
- (D) ROOF - B.U./LEAKS
- (E) STRUCTURAL SYSTEM - WOOD OR METAL TRUSS/LOAD BEARING WALLS
- (F) MECH. SYSTEM - HEAT PUMP/FORCED AIR
- (G) ELECTRICAL SYSTEM - N/A

III. CONDITION OF CONSTRUCTION: (GRADE 1.9)

(A) EXTERIOR: GRADE (AVG. 2)

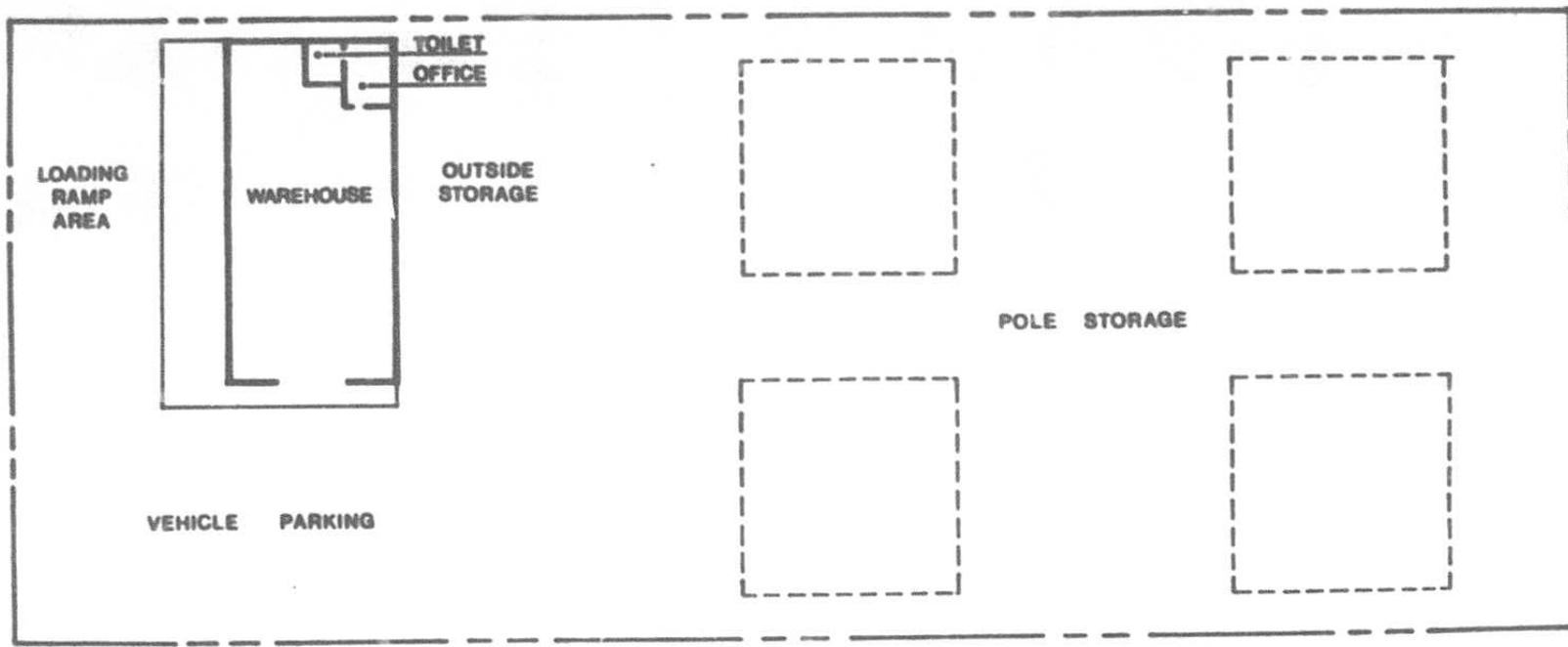
(1) WALLS	2
(2) ROOFS	1
(3) WINDOWS	3
(4) DOORS	2

(B) INTERIOR: GRADE (AVG. 1.8)

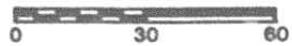
(1) FLOOR	2
(2) WALLS	1
(3) CEILING	1
(4) TOILET FACILITIES	0
(5) LIGHTING	3
(6) H.V.A.C.	4

IV. REMAINING USEFUL LIFE:

- (A) PRESENT AGE - 22 YEARS
- (B) REMAINING USEFUL LIFE WITH NORMAL MAINTENANCE -



CHIPLEY LINE SERVICE / WAREHOUSE FACILITY



GRAPHIC SCALE 1" = 30'-0"



CHIPLEY - WAREHOUSE, LINE SERVICE FACILITY

PHYSICAL SURVEY, EXISTING BUILDING

I. SQUARE FEET, AREA: GROSS - 3200 SQ. FT.
NET - 3040 SQ. FT.

II. TYPE OF CONSTRUCTION:

- (A) FOUNDATION - CONCRETE SPREAD FOOTINGS
- (B) FLOORS - CONCRETE SLAB ON FILL
- (C) WALLS: EXTERIOR - CONCRETE BLOCK, LOAD BEARING
INTERIOR - WOOD STUD & PLYWOOD
- (D) ROOF - SHINGLES ON WOOD SHEATHING
- (E) STRUCTURAL SYSTEM - WOOD TRUSSES
- (F) MECH. SYSTEM - WINDOW A/C UNIT IN OFFICE
- (G) ELECTRICAL SYSTEM - 100-AMP, FUSED

III. CONDITION OF CONSTRUCTION: (GRADE - 1.7)

- (A) EXTERIOR: GRADE (AVG. 2)
 - (1) WALLS 2
 - (2) ROOFS 2
 - (3) WINDOWS N/A
 - (4) DOORS 2
- (B) INTERIOR: GRADE (AVG. 1.4)
 - (1) FLOOR 2
 - (2) WALLS 1
 - (3) CEILING N/A
 - (4) TOILET FACILITIES 1
 - (5) LIGHTING 2
 - (6) H.V.A.C. 1

IV. REMAINING USEFUL LIFE:

- (A) PRESENT AGE - UNDETERMINED
- (B) REMAINING USEFUL LIFE WITH NORMAL MAINTENANCE - BUILDING IS IN VERY DETERIORATED CONDITION - POORLY MAINTAINED

CHIPLEY - WAREHOUSE, LINE SERVICE FACILITY

PHYSICAL SURVEY, EXISTING SITE

(A) ACREAGE OF PRESENT SITE - APPROXIMATELY 1 ACRE

(B) GEOGRAPHIC LOCATION - 3/4 MILE FROM CENTER OF CHIPLEY

(C) CONDITION OF EXTERIOR FACILITIES:

- (1) PAVING - THERE IS NO PAVING ON SITE. AREA IS DIRT AND SAND
- (2) GROUNDS - VERY POOR CONDITION
- (3) STORAGE - NO SECURITY FOR TRUCKS OR TRANSFORMER AND POLE STORAGE. NO FENCE AROUND THIS AREA
- (4) PARKING AND CIRCULATION - VERY POOR AND UNDEFINED. NO PARKING AVAILABLE FOR PUBLIC OR PRIVATE VEHICLES

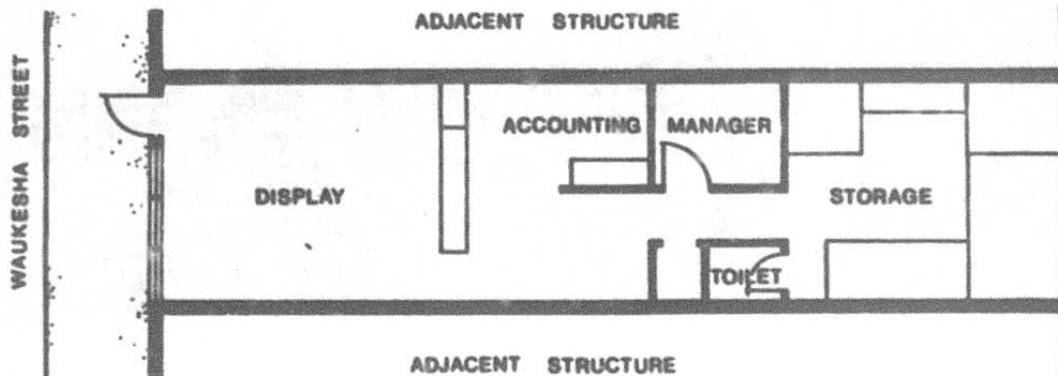
(D) PRESENT LOCATION AND ARRANGEMENT OF EXTERIOR FACILITIES: (SEE SHEET 4.)

(E) SITE DRAINAGE CONDITIONS - VERY POOR. SEVERAL PUDDLES FORM DURING PERIODS OF RAINFALL

(F) UTILITIES:

- SEWER SYSTEM - CITY
- WATER SUPPLY - CITY
- ELECTRICAL SUPPLY - GULF POWER

PERSONNEL	NO.	PRESENT WORK AREA	TOTAL SQUARE FEET	PARKING REQUIREMENTS			INTER-DEPARTMENTAL ASSOCIATED FUNCTIONS	ASSOCIATED FUNCTIONS OTHER DEPARTMENTS	PROXIMITY TO FIELD WORK	PUBLIC CONTACT FUNCTIONS	FUNCTIONAL ADEQUACY (RMS)	COMMENTS	
				TYPE SPACE	AVAILABLE	DESIRED							
OFFICE FACILITY			(1)									(1) SPACE IS ADEQUATE.	
	MANAGER	1	162	COMPANY	0	2						(2) NO PARKING LOCATED ADJACENT TO THIS FACILITY OR IN GENERAL VICINITY FOR GULF POWER.	
	CASHIER	1	130	PRIVATE	0	6						(3) NEEDS TO BE CLOSER OR IN SAFE BLOCK. NOW 3/4 MILES FROM WAREHOUSE.	
	CLERK	2	174	PUBLIC	0	6		WAREHOUSE LINE SERVICE (3)	(1)	CUSTOMER BILLING AND APPLIANCE SALES PETER PICK-UP	(3)	(4) UNRELATED BECAUSE OF RELATIVELY SMALL TOTAL LIMITS OF COMPLEY.	
	APPLIANCE SALES	-	1184	(2)								(5) INTERIOR RE-ARRANGEMENT NEIGHT IMPROVE FUNCTION. EXTERIOR APPEARANCE NEEDS UPDATING.	
	SERVICE WRM	1	114										
	PETER READER	1	114										
	SUBTOTAL	6		2052		0	12						
	FUNCTIONAL GRADING	-	5	-	0					3			2.8
	LINE SERVICE FACILITY (WAREHOUSE)			(1)									(1) NO ADEQUATE SPACE FOR EMPLOYEES OR WAREHOUSING. PRESENT LEASED FACILITY HAS ONLY ONE TOILET ON PREMISES.
SUPERVISOR		1	3000	COMPANY	2	2						(2) NEEDS TO BE CLOSER OR IN SAFE BLDG/DRIVE.	
LINE-SERVICEMEN		3		SERVICE	2	2		OFFICE FACILITY (2)	CENTRALLY LOCATED	NONE	(3)	(3) TOTALLY INADEQUATE. WAREHOUSE IS DIFFICULT TO INVENTORY AND VAND HAS NO SECURITY. NO PAVED AREAS ARE PROVIDED. TRUCKS, CARS AND TRANSPORTER EQUIPMENT IN TOTAL DISORDER. FUNCTION COULD BE GREATLY IMPROVED BY COMBINING LINE SERVICE WITH OFFICE FACILITY AT A NEW BUILDING.	
APPRENTICE		1		PUBLIC	2	2							
MECH TR. OPER.		1		PRIVATE	0	11							
TR. OPER.		1											
PETER/WH		1											
HELPER		1											
ELEC. SERVICEMEN		2											
SUBTOTAL		11		192		6	17						
FUNCTIONAL GRADING	-	1		1								2	
TOTALS	17		2244		6	29						2.4	



BONIFAY FACILITY FLOOR PLAN

GRAPHIC SCALE 1" = 10'-0"
 0 10 20

PHYSICAL SURVEY, EXISTING BUILDING

1. SQUARE FEET, AREA: GROSS 1,190
 NET 1,106

II. TYPE OF CONSTRUCTION:

- (A) FOUNDATION - UNDETERMINED
- (B) FLOORS - CONC. SLAB ON GRADE
- (C) WALLS: EXTERIOR - MASONRY/GLASS
 INTERIOR - MASONRY, LOAD BEARING
- (D) ROOF - BUILT-UP, FLAT
- (E) STRUCTURAL SYSTEM - WOOD ROOF FRAMING
- (F) MECH - SYSTEM - FORCED AIR, HEAT PUMP
- (G) ELECTRICAL SYSTEM - 100 AMP, FUSED, IN VERY POOR CONDITION

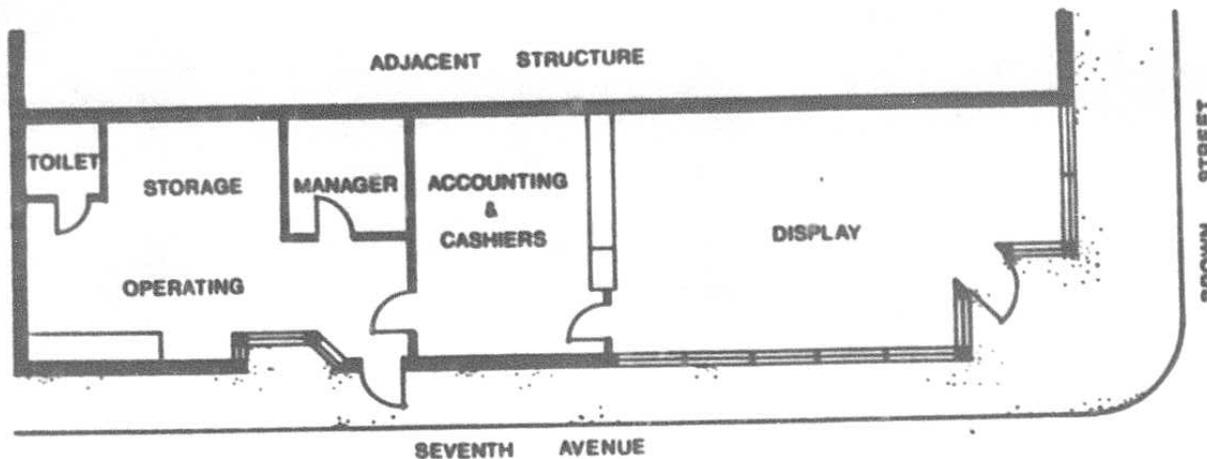
III. CONDITION OF CONSTRUCTION: (GRADE - 1.6)

(A) EXTERIOR:	<u>GRADE</u> (AVG. 1.5)
(1) WALLS	2
(2) ROOFS	1 (ROOF LEAKS)
(3) WINDOWS	2
(4) DOORS	1
(B) INTERIOR:	<u>GRADE</u> (AVG. 1.7)
(1) FLOOR	2
(2) WALLS	1 (CRACKED)
(3) CEILING	1
(4) TOILET FACILITIES	0
(5) LIGHTING	2 (ELECTRICAL VERY BAD)
(6) H.V.A.C.	4 (NEW UNIT)

IV. REMAINING USEFUL LIFE

- (A) PRESENT AGE - UNDETERMINED
- (B) REMAINING USEFUL LIFE WITH NORMAL MAINTENANCE FACILITY IS DEFINITELY PAST NORMAL USEFUL LIFE WITHOUT EXTENSIVE REMODELING

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GRACEVILLE FACILITY FLOOR PLAN



GRAPHIC SCALE 1" = 10'-0"

PHYSICAL SURVEY, EXISTING BUILDING

1. SQUARE FEET, AREA: GROSS - 1400 SQ. FT.
NET - 1311 SQ. FT.
- II. TYPE OF CONSTRUCTION:
 - (A) FOUNDATION - SPREAD FOOTINGS WITH MASONRY WALLS
 - (B) FLOORS - CONC. SLAB ON GRADE
 - (C) WALLS: EXTERIOR - BRICK VENEER ON CONC. BLOCK
INTERIOR - PLASTER ON BLOCK AND WOOD STUDS
 - (D) ROOF - BUILT-UP, FLAT
 - (E) STRUCTURAL SYSTEM - MASONRY WALLS, WOOD ROOF FRAMING
 - (F) MECH. SYSTEM - FORCED AIR, H.V.A.C.
 - (G) ELECTRICAL SYSTEM - 100-AMP, FUSED

III. CONDITION OF CONSTRUCTION: (GRADE - 2.17)

(A) EXTERIOR:	GRADE (AVG. 2.25)
(1) WALLS	3
(2) ROOFS	2 (ROOF LEAKS)
(3) WINDOWS	2 (CRACKED)
(4) DOORS	2
(B) INTERIOR:	GRADE (AVG. 2.1)
(1) FLOOR	2
(2) WALLS	2
(3) CEILING	2
(4) TOILET FACILITIES	0 (ONLY ONE)
(5) LIGHTING	3
(6) H.V.A.C.	4

IV. REMAINING USEFUL LIFE:

- (A) PRESENT AGE - UNDETERMINED
- (B) REMAINING USEFUL LIFE WITH NORMAL MAINTENANCE - FACILITY IS REALISTICALLY PAST THE POINT OF USEFUL LIFE CYCLE

GRACEVILLE

PERSONNEL	NO.	PRESENT WORK AREA	TOTAL SQUARE FEET	PARKING REQUIREMENTS			INTER-DEPARTMENTAL ASSOCIATED FUNCTIONS	ASSOCIATED FUNCTIONS OTHER DEPARTMENTS	PROXIMITY TO FIELD WORK	PUBLIC CONTACT FUNCTIONS	FUNCTIONAL ASPECT (CMB)	COMMENTS
				TYPE	AVAILABLE	DESIGNED						
ROSELBY	1	80	80	PUBLIC	0	2	N/A	N/A	CUSTOMER BILLING & SALES	(3)	(1) SPACE IS ADEQUATE FOR FUNCTION.	
	1	134	134	COMPANY	0	2				(3)	(2) FACILITY IS VERY ANTICATED & POORLY MAINTAINED. GOLF POWER IMAGE IS TOTALLY INADEQUATE.	
	-	400	400	PRIVATE	0	2					(3)	(3) ONLY ONE TOILET.
	TOTAL	2		604			6			3	2	(4) NO PARKING IS AVAILABLE.
FUNCTIONAL GRADING												
GRACEVILLE	1	81	81	PUBLIC	0	2	N/A	N/A	CUSTOMER BILLING & SALES	(3)	(1) SPACE IS ADEQUATE FOR FUNCTION.	
	1	200	200	COMPANY	0	3				(3)	(2) FACILITY IS IN OLD BEHAVIOR STRUCTURE AND PRESENTS A POOR IMAGE OF GOLF POWER.	
	-	600	600	PRIVATE	0	3					(3)	(3) ONLY ONE TOILET.
	TOTAL	3		881			8			3	2	(4) NO PARKING IS AVAILABLE.
FUNCTIONAL GRADING												

TOTAL PROJECTED GROWTH

NORTHERN DISTRICT		1978	1980	1990	2000	INCREASE
FUNCTIONAL ADEQUACY	5 PERSONNEL	22	23	26	30	36%
	OFFICE SPACE	3850	4550	4550	4550	18%
	4 INSIDE STORAGE	4268	6100	6100	6100	43%
	CIRCULATION	317	450	450	450	42%
	3 RESTROOMS	174	304	304	304	75%
	MECH. & OTHER	72	230	230	230	219%
	2 OUTSIDE STORAGE	1000	1000	1000	1000	-
	VEHICLES					
	1 PUBLIC	2	8	9	9	350%
	PRIVATE	11	23	26	30	173%
0 COMPANY	4	13	15	17	325%	

EASTERN DIVISION - NORTHERN DISTRICT

CONCLUSIONS:

THE NORTHERN DISTRICT GROWTH RATE OF APPROXIMATELY 50% TO THE YEAR 2000 INDICATES A NEED FOR ADDITIONAL FACILITY GROWTH. THIS HAS BEEN CONSOLIDATED GRAPHICALLY INTO THE CHIPLEY FACILITY BECAUSE OF ITS PRESENT USE AND ITS CENTRAL GEOGRAPHICAL LOCATION IN THE DISTRICT. THERE IS A SEVERE NEED FOR A NEW LINE SERVICE/WAREHOUSE FACILITY AT CHIPLEY. THE PRESENT LEASED FACILITY IS TOTALLY INADEQUATE FOR THE FUNCTION IT SERVES AS INDICATED BY THE FUNCTIONAL GRADING.

THE CHIPLEY OFFICE FACILITY IS ADEQUATE FOR PROJECTED GROWTH IN TERMS OF SPACE. THERE IS NOT, HOWEVER, ANY PARKING AVAILABLE ADJACENT TO THIS FACILITY. THE EXISTING LEASED BUILDING DOES NOT PRESENT AN ATTRACTIVE APPEARANCE RELATIVE TO OTHER STRUCTURES IN THE CHIPLEY BUSINESS DISTRICT. REFLECTIONS ON GULF POWER COMPANY'S IMAGE ARE DEFINITELY NEGATIVE IN THIS RESPECT.

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BONIFAY AND GRACEVILLE FACILITIES ARE VERY DEFINITELY IN NEED OF IMPROVEMENT. THE BUILDINGS HOUSING THESE OFFICES ARE IN A DEGENERATING STATE AND DO NOT REFLECT A PROPER IMAGE FOR GULF POWER WITHIN THESE COMMUNITIES. PARKING IS NON-EXISTENT RELATIVE TO DESIGNATED SPACES FOR PUBLIC AND PRIVATE VEHICLES. THE FOLLOWING RECOMMENDATIONS PRESENT SEVERAL ALTERNATE SOLUTIONS TO THE ABOVE.

RECOMMENDATIONS:

(1) CHIPLEY FACILITIES:

- CONSOLIDATE THE EXISTING LINE SERVICE/WAREHOUSE FACILITY AND THE DOWNTOWN OFFICE FACILITY INTO A CENTRAL FACILITY WITHIN THE GENERAL AREA OF CHIPLEY.
- CONSTRUCT A NEW LINE SERVICE/WAREHOUSE FACILITY IN CLOSE PROXIMITY TO THE EXISTING OFFICE FACILITY. RENOVATE EXTERIOR AND INTERIOR OF EXISTING OFFICE FACILITY AND PURCHASE OR LEASE ADJACENT PROPERTY FOR PARKING.

(2) BONIFAY AND GRACEVILLE FACILITIES:

- CONSTRUCT NEW BUILDINGS WITH ADEQUATE PARKING FACILITIES.
- LEASE OTHER SPACE, IF AVAILABLE, THAT WILL PRESENT A BETTER IMAGE AND PROVIDE ADEQUATE PARKING.

IT IS DEFINITELY NOT RECOMMENDED THAT THE OFFICES IN BONIFAY AND GRACEVILLE REMAIN IN THEIR PRESENT LOCATION. EXTENSIVE RENOVATION WOULD BE NECESSARY TO UPGRADE THE EXISTING STRUCTURE AND NO SOLUTION TO THE PARKING PROBLEMS WOULD BE EVIDENCED.

1990 PROJECTED EXPENDITURES
Business Development Center

1990 BUDGET

O & M:

Tape Changeout \$6,000 - 8,000

Capital:

There are no dollars budgeted in the 1990 capital budget
for the Business Development Center.

CHASE STREET TRAINING ROOMS

<u>Room</u>	<u>Square Ft.</u>
Training A:	1,102
Training B:	1,154
Training C:	<u>2,470</u>
Total	4,726

CORPORATE OFFICE CONFERENCE CENTERS

<u>Room</u>	<u>Square Ft.</u>
Room 106:	192
Room 128:	221
Room 129:	221
Room 162:	484
Auditorium A:	1,882
Auditorium B:	1,882
Room 215:	350
Room 502:	644
Room 587:	224
Room 596:	864
Room 481:	224
Room 402:	644
Room 488:	<u>864</u>
Total	8,696

NAVY HOUSE TRAINING: 1,800

WESTERN DIVISION HEADQUARTERS - 75 N. PACE BLVD.

<u>Room</u>	<u>Square Ft.</u>
Room A:	237
Room B:	93
Room C:	196
Room D:	141
Room E:	141
Room F:	196
Room G:	138
Room H:	144
Room I:	156
Auditorium:	512
Southend (Center):	<u>475</u>
Total	2,429

Florida Public Service
Commission
Docket No. 891345-EI
Gulf Power Company
Witness: A. E. Scarbrough
Late File Exhibit 624

Commentary related to intended downgrade of Gulf's Bonds and Preferred stock by Duff and Phelps.

Answer:

As Mr. Scarbrough stated during the hearings, the Duff and Phelps rating agency has informed the Company that they intend to downgrade Gulf's bonds and preferred stock by two levels, from AA- to A on Gulf's bonds and A+ to A- on the preferred stock. The rationale given is threefold: inadequate coverages, i.e., earnings times interest on debt; the loss of off-system sales; and high debt to capitalization ratio. When Gulf is compared to the 25 SEE utilities, only four are more highly leveraged than Gulf. The rating agency indicates that even if Gulf were to receive all it is requesting in this proceeding the coverages would still be too low for the current rating.

The Company has received no written notification of the downgrading from Duff and Phelps at the time of this filing.

Gulf has appealed the downgrade to Duff and Phelps and provided additional information to the rating agency for their review. The Company is awaiting further response.

Gulf Power Company
1990 O&M excluding ECCR
Non-recurring Expenses By Functional O&M Account

Description	1990 Budget
	\$
Territorial Turbine and Boiler Steam Production	5,340,000
Plant Daniel Turbine and Boiler Steam Production	555,500
Total Turbine and Boiler	5,895,500
Vehicle Rebuilds Distribution	116,500
Other	
Steam Production	850,000
Transmission	178,738
Distribution	286,920
Administrative and General	396,047
Plant Daniel Steam Production	148,000
SCS	
Transmission	408,040
Customer Accounts	10,168
Administrative and General	454,943
Total Other	2,722,856
Total 1990 O&M Nonrecurring	8,734,856

Note: As stated by the auditor in Audit Disclosure No. 43, "not all items listed as non-recurring in Gulf's various O&M budgets are non-recurring in the 'regulatory' sense. Many of these items are non-recurring solely for Company planning purposes because they [are cyclical in nature or] may occur again within the same planning unit in succeeding years." As referenced in Order No. 11498, Docket No. 820150-EU, "to say that test year revenue requirements should not include any non-recurring expenses somewhat oversimplifies the issue because, given the nature of utility operations, every year will include some periodic expenses that will not be incurred the following year. Thus, what we really must determine is that the test year revenue requirements do not include excessive or unrepresentative non-recurring expenses." Gulf's level of non-recurring expenses is not excessive or unrepresentative of the level of non-recurring expenses the Company will experience in the future.