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FILE COPY

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

the southern electric system

July 11, 1994

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. 931044-EI

Enclosed for official filing in Docket No. 931044-EI are an original and fifteen (15) copies of the following:

1. Rebuttal testimony of M. W. Howell
2. Rebuttal testimony of J. I. Thompson

Sincerely,

Jack L. Haskins

ACK _____
 AFR lw
 APP _____
 CAF Enclosures
 CMU _____
 CTR _____
 EAG Berg
 LEG Orallo
 LIN Oris
 CPC _____
 RCH _____
 SCC L
 WAS _____
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DOCUMENT NUMBER-DATE
 06859 JUL 11 1994
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Thompson
 DOCUMENT NUMBER-DATE
 06860 JUL 11 1994
 FPSC-RECORDS/REPORTING

"Our business is customer satisfaction"

AFFIDAVIT

STATE OF FLORIDA)
COUNTY OF ESCAMBIA)

Docket No. 931044-EI

Before me the undersigned authority, personally appeared James I. Thompson, who being first duly sworn, deposes and says that he/she is a Pricing Specialist in Marketing and Load Management at Gulf Power Company and that the foregoing is true and correct to the best of his/her knowledge, information and belief.

James I. Thompson
James I. Thompson
Pricing Specialist in Marketing and
Load Management

Sworn to and subscribed before me this 8th day of July, 1994.

Connie J. Wilton
Notary Public, State of Florida at Large
Commission No. CC059328

(Know Personally)
My Commission Expires:

Notary Public
State of Florida at Large
My Commission Expires:
October 25, 1994



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for Authority to implement Replacement Rate Schedule
for Standby Electric Service by Gulf Power Company

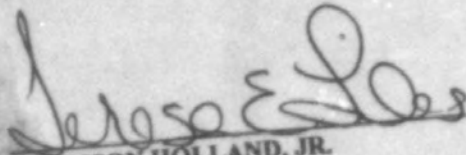
) Docket No. 931044-EI
)

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 11th day of July, 1994 on the following:

Sheila L. Erstling, Esquire
FL Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-0863

Joseph A. McGlothlin, Esquire
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Attorneys for Gulf Power Company

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET No. 931044 - EI

GULF POWER COMPANY

**REBUTTAL TESTIMONY OF
M. W. HOWELL**

JULY 11, 1994

DOCUMENT NUMBER-DATE

06859 JUL 11 1994

FPSC-RECORDS/REPORTING

GULF POWER COMPANY

1
2
3
4 Before the Florida Public Service Commission
5 Rebuttal Testimony of
6 M. W. Howell
7 Docket No. 931044-EI
8 Date of Filing: July 11, 1994
9
10
11

12 Q. Please state your name, business address and occupation.
13

14 A. My name is M. W. Howell, and my business address is 500
15 Bayfront Parkway, Pensacola, Florida 32501. I am
16 Manager of Transmission and System Control for Gulf
17 Power Company.

18
19 Q. Are you the same M. W. Howell who previously filed
20 direct testimony in this Docket?

21 A. Yes.

22
23 Q. What is the purpose of your rebuttal testimony in this
24 docket?

25 A. The purpose of my testimony is to rebut the portion of
26 Mr. William B. Berg's direct testimony filed in this
27 docket that is specifically related to Standby customer
28 power usage during the system's monthly peak hours.
29

1 Q. Mr. Berg states on page 3 , line 18 of his testimony
2 that the extensive use of power by standby customers
3 during the proposed Coordinated Maintenance Months
4 (CMMs) greatly increases the probability that they will
5 use power during a monthly Southern Company peak hour.
6 Do you agree?

7 A. No. As Mr. Berg pointed out on page 5, line 9 of his
8 testimony, it is difficult to predict how standby
9 customers will respond to the CMM provision. In fact,
10 the customers now have an incentive to concentrate their
11 standby use in only four months of a year. This greatly
12 decreases the likelihood of impacting our peak hour
13 demand in the other months of the same year. The key
14 focus should be that the customers now have a strong
15 signal to avoid such use during the summer months. This
16 will avoid the need for Gulf to add additional
17 generating capacity to serve a higher summer peak, which
18 will reduce overall costs of electricity.

19
20 Q. If the standby customers use power during a Gulf summer
21 peak hour, what impact will this have on Gulf's total
22 capacity costs?

23 A. Not only will IIC capacity costs be impacted, but load
24 incurred during Gulf's summer peak hour will cause the
25 company to accelerate plans for some type of capacity

1 addition. Capacity additions have long-term production
2 cost and base rate revenue requirement effects on Gulf's
3 customers. In contrast, any IIC capacity cost increases
4 are temporary and short-term in nature. Also, the
5 magnitude of IIC capacity costs compared to Gulf's total
6 costs to provide service is quite small.

7

8 Q. Does this conclude your testimony?

9 A. Yes.

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