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GULF POWER COMPANY

Before the Florida Public Service Commission
Supplemental Direct Testimony of
Maria Jeffers Burke
Docket No. 990325-EI
Date of Filing: May 17, 1999

Q. Please state your name and business address.

A. My name is Maria Jeffers Burke and my business
address is 600 North 18th Street, Birmingham, Alabama
35202.

Q. Have you previously filed direct testimony in this
docket?

A. Yes.

Q. What is the purpose of your supplemental direct
testimony?

A. The purpose of my testimony is to present the results
of an updated economic evaluation of Smith Unit 3
which takes into account recent design and cost
changes for the project. As described by Mr. Moore,
the peak output of the unit has increased by 34 MW,
the heat rate has changed slightly, and the total
nominal cost has increased by \$9.6 million.

1 Q. Have you prepared an exhibit that contains
2 information on your updated evaluation?

3 A. Yes. I have an exhibit consisting of one schedule to
4 which I will refer. This exhibit was prepared under
5 my supervision and direction.

6 Counsel: We ask that Ms. Burke's
7 Schedule 3 be marked as
8 Exhibit ____ (MJB-3).

9
10 Q. Why did you perform a reevaluation of Smith Unit 3?

11 A. Gulf wanted to confirm that the proposed changes
12 would actually improve the cost-effectiveness of the
13 project.

14
15 Q. How did you perform your analysis?

16 A. I analyzed the total costs associated with the
17 redesigned unit using the same PROVIEW evaluation
18 methodology that was used in the previous ranking of
19 Smith Unit 3 and the RFP alternatives.

20
21 Q. What were the results of your analysis?

22 A. The updated analysis shows that the evaluated NPV
23 cost of Smith Unit 3 has decreased from \$279/KW to
24 \$274/KW in 2002 dollars.

1 Q. What conclusions do you draw from this evaluation?

2 A. As shown on Schedule 3, this evaluation shows that
3 Smith Unit 3 still provides much greater value than
4 any of the alternatives proposed in response to the
5 RFP. It also demonstrates that the incremental MWs
6 resulting from the design change are a cost-effective
7 capacity resource.

8

9 Q. Does this conclude your testimony?

10 A. Yes.

Florida Public Service
Commission
Docket No. 990325-EI
Gulf Power Company
Witness: Maria Jeffers Burke
Exhibit No. _____ (MJB-3)
Schedule 3

Gulf Power Company

RFP Relative Ranking - Detailed Evaluation

Rank	MW	Bidder	NPV Total Cost \$/kW (2002\$)
1	540	Smith Unit 3	274
2	486	Respondent B CT (20 Year Pricing)	496
3	500	Respondent B CC (10 Year Pricing)	505
4	532	Respondent C	511
5	500	Respondent B CC (7 Year Pricing)	522
6	486	Respondent B CT (10 Year Pricing)	527
7	486	Respondent B CT (7 Year Pricing)	539
8	500	Respondent B CC (20 Year Pricing)	553
9	350	Respondent A	592
10	532	Respondent C (Fixed Energy)	616

