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GULF POWER COMPANY

Before the Florida Public Service Commission  
Supplemental Direct Testimony of  
Robert G. Moore  
Docket No. 990325-EI  
Date of Filing: May 17, 1999

Q. Please state your name and business address.

A. My name is Robert G. Moore, and my business address  
is One Energy Place, Pensacola, Florida 32520.

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

A. Yes.

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

A. Since the Need Study was filed, Gulf has continued to  
refine the engineering design for Smith Unit 3 in an  
effort to achieve the best overall value. The  
purpose of this testimony is to describe the design  
changes that Gulf has made, and to update the  
construction cost estimate for the unit.

Q. Have you prepared an exhibit that contains  
information on these updates?

1 A. Yes. I have an exhibit consisting of one schedule  
2 that was prepared under my supervision and direction.

3 Counsel: We ask that Mr. Moore's  
4 Schedule 3 be marked as  
5 Exhibit \_\_\_\_ (RGM-2).  
6

7 Q. What changes has Gulf made in the unit's design since  
8 the Need Study was filed?

9 A. Gulf has made changes to the steam fired portion of  
10 the combined cycle unit that allow it to produce a  
11 higher mass steam flow through the steam turbine.  
12

13 Q. What is the effect of these changes?

14 A. As a result of these changes, the summer peak  
15 capacity of the unit has increased by 34 MW, from  
16 approximately 540 MW to approximately 574 MW. The  
17 changes associated with this 6.3% increase in maximum  
18 unit capability result in a slight reduction in the  
19 average annual output of the unit, from 521 MW to 519  
20 MW. They also result in a slight increase in the  
21 average annual heat rate for the unit from 6,741  
22 Btu/KWH to 6,761 Btu/KWH.  
23  
24

1 Q. Please describe the change in the total installed  
2 cost estimate for Smith Unit 3.

3 A. The total nominal cost estimate for Smith Unit 3 has  
4 increased by \$9,670,000 to \$196,922,000. On a per KW  
5 basis, the estimated total nominal cost has decreased  
6 from approximately \$347/KW to approximately \$343/KW.  
7 A breakdown of the updated cost estimate is shown on  
8 Schedule 3.

9  
10 Q. Has Gulf analyzed the effect of these design and cost  
11 changes on the overall cost-effectiveness of the  
12 project?

13 A. Yes. Our analysis shows that these design changes  
14 provide additional benefits to Gulf and its  
15 customers. Ms. Burke will provide the details of  
16 this analysis. Based on this analysis, we are asking  
17 the Commission to find that Gulf has a need for the  
18 574 MW represented by Smith Unit 3, and that this  
19 project is the most cost-effective alternative  
20 available.

21

22 Q. Does this conclude your testimony?

23 A. Yes.

**INSTALLED COST ESTIMATE FOR SMITH UNIT 3**

<u>DESCRIPTION:</u>	<u>AMOUNT (2002\$)</u>
Indirects	\$ 25,661,966
Site, General	6,701,846
Heat Recovery Steam Generator Area	39,741,570
Turbine & Generator Area	91,143,505
Fuel Facilities (metering only)	856,111
Plant Water Systems	13,443,351
Electrical Distribution & Switchyard	12,847,183
Plant Instrumentation & Controls	2,591,303
Other	<u>3,936,065</u>
TOTAL	\$196,922,900

AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA    )

Docket No. 990325-EI

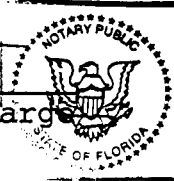
Before me the undersigned authority, personally appeared Robert G. Moore, who being first duly sworn, deposes, and says that he is the Vice President of Power Generation and Transmission of Gulf Power Company, a Maine corporation, that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.

*Robert G. Moore*

Robert G. Moore  
Vice President - Power Generation  
and Transmission

Sworn to and subscribed before me this 14<sup>th</sup> day  
of May, 1999.

*Jeffrey A. Stone*  
\_\_\_\_\_  
Notary Public, State of Florida at Largo



OFFICIAL SEAL  
JEFFREY A. STONE  
MY COMMISSION EXPIRES  
APRIL 22, 2000  
Comm. No. CC 525231