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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to resolve ) Docket No. ~~10000~~ EU  
territorial dispute with Gulf )  
Coast Electric Cooperative, Inc. )  
by Gulf Power Company. )

NOTICE OF FILING DEPOSITION  
TESTIMONY OF GULF POWER WITNESS, RONALD KRONENBERGER  
(DEPART. OF CORRECT.)  
TAKEN BY JOSEPH CRESSE  
OCTOBER 7, 1994

In light of the granted request made by Gulf Power Company at the pre-hearing conference to add the deposition testimony of Department of Corrections Representative, Ronald Kronenberger, as a witness on behalf of Gulf Power regarding the issue of customer preference and the limited time frame in connection with the reciprocal right of Gulf Coast Electric Cooperative, Inc., to designate and obtain the deposition testimony of a witness on the issues concerning which Mr. Kronenberger gave testimony, Gulf Coast Electric Cooperative, Inc., hereby files the deposition testimony of Ronald Kronenberger, witness of Gulf Power Company, as taken by Joseph Cresse on behalf of Gulf Power Company on Friday, October 7, 1994. The signed original will be filed when obtained from Mr. Kronenberger. Gulf Coast Electric Cooperative, Inc. is expediting its efforts to designate and obtain testimony of its witness on this issue by Monday, October 17, 1994.

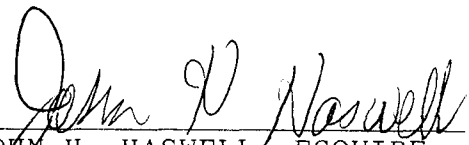
DATED this 12<sup>th</sup> day of October, 1994.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to resolve ) Docket No.: 930885-EU  
territorial dispute with Gulf )  
Coast Electrical Cooperative, Inc. )  
by Gulf Power Company )  
\_\_\_\_\_ )

CERTIFICATE OF SERVICE

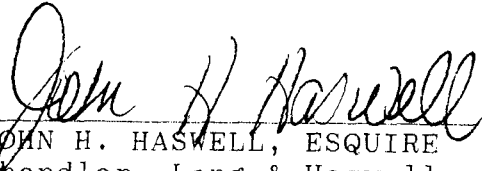
I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail on this \_\_\_\_\_ day of October, 1994.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to resolve )  
territorial dispute with Gulf )  
Coast Electric Cooperative, Inc. )  
by Gulf Power Company. )

DOCKET NO. 990005-EU

COPY

DEPOSITION OF: RON KRONENBERGER  
TAKEN AT THE INSTANCE OF: Gulf Power Company  
DATE: Friday, October 7, 1994  
TIME: Commenced at 9:00 a.m.  
Concluded at 9:55 a.m.  
PLACE: 2601 Blair Stone Road  
Tallahassee, Florida  
REPORTED BY: JANE FAUROT  
Notary Public in and for the  
State of Florida at Large

ACCURATE STENOGRAPHY REPORTERS, INC.  
100 SALEM COURT  
TALLAHASSEE, FLORIDA 32301  
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10446-94  
10/12/94

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- and -

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## REPRESENTING GULF COAST ELECTRIC COOPERATIVE:

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\* \* \* \* \*

I N D E XWITNESSPAGE

RON KRONENBERGER

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CERTIFICATE OF REPORTER

31

P R O C E E D I N G S

1  
2           The following deposition of RON KRONENBERGER was  
3 taken on oral examination, pursuant to notice, for purposes  
4 of discovery, for use in evidence, and for such other uses  
5 and purposes as may be permitted by the applicable and  
6 governing rules. Reading and signing is not waived.

7                           \* \* \* \* \*

8 Thereupon,

9                           RON KRONENBERGER

10 was called as a witness, and having first been duly sworn,  
11 was examined and testified as follows:

12                           DIRECT EXAMINATION

13 BY MR. CRESSE:

14           Q     Mr. Kronenberger, my name is Joe Cresse, and I'm  
15 here on behalf of Gulf Power Company, and there is a few  
16 questions we would like to ask you.

17                        Would you first give us your name and your title?

18           A     My name is Ron Kronenberger, and my title is  
19 Assistant Secretary for Office of Management and Budget.

20           Q     Are you familiar with the dispute between Gulf  
21 Power Company and Gulf Coast Electric Company as to who  
22 should serve the prison in Washington County?

23           A     I'm familiar with the dispute, yes.

24           Q     Have you been involved in any territorial disputes  
25 previously?

1           A     No, I haven't.

2           Q     Are you aware of any Department involvement in  
3 territorial disputes previously?

4           A     Yes, I am.

5           Q     What were they?

6           A     I believe it was involving Mayo Correctional  
7 Institution, in which an electric company was selected, and  
8 then it was overturned by the Public Service Commission. I  
9 do not remember the circumstances on that particular  
10 situation.

11          Q     Are you aware of the fact that if there is a  
12 dispute over territory that the Public Service Commission  
13 would solve that dispute?

14          A     Yes, I am.

15          Q     And how long have you been aware of that, do you  
16 know?

17          A     Seven years, I would imagine.

18          Q     All right, sir. In Washington County, I take it  
19 from reading correspondence, that the Department of  
20 Corrections delegated to the county the authority to make at  
21 least the initial decision as to who would serve that  
22 prison, is that correct?

23          A     What we did with Washington County was to talk  
24 with them and ask is there anybody that has -- is there any  
25 disputes over the territory in serving this institution.

1 The indication that we had from early on in the site  
2 selection process over there was that there were no  
3 disputes. Therefore, with the understanding that there was  
4 no disputes over who was going to serve the site, we wanted  
5 to work with the county and wanted to support them in a  
6 decision to bring about the power provider to that area  
7 there.

8 Q At the time, then, that you requested the county  
9 or delegated to the county the authority to make that  
10 initial decision, you were not aware of any dispute between  
11 Gulf Power and Gulf Coast as to who should serve that site,  
12 is that correct?

13 A That's correct, sir. When we had gone through and  
14 made the decision process, it was the first part of May. I  
15 was not aware that there was a dispute or a desire on the  
16 part of Gulf Power to provide service until the end of July,  
17 I believe, so that was about 60 days later.

18 MR. FLOYD: Let me do an objection to correct the  
19 question, too. I don't think that Mr. Kronenberger  
20 said to make the initial decision, I think the  
21 delegation was in terms of making the decision to the  
22 county, the local governing body.

23 MR. CRESSE: The question as it relates to initial  
24 decision was -- I believe the witness said he was aware  
25 that if there was a dispute, that that decision would



1           have been made by the Public Service Commission.  
2           Therefore, any decision made by the Department of  
3           Corrections or by the county could be overturned by the  
4           Public Service Commission, and that's the reason the  
5           word initial decision was used.

6           MR. FLOYD: Okay. The reference that we were  
7           using in the question, then, was the initial decision  
8           with respect to the Department of Corrections and the  
9           local governing body. The decision was made. Now,  
10          what happens with the Public Service Commission is, of  
11          course, a final matter, but the decision among them was  
12          the determination that Gulf Coast would serve the  
13          prison. So, in terms of clarifying that reference, I  
14          appreciate your explanation, and I think that mine is  
15          needed, also. Thank you.

16 BY MR. CRESSE:

17           Q     As a matter of Department policy, if you have a  
18           choice between two utilities, and the quality of service is  
19           satisfactory among the two, who would the Department choose,  
20           the least-cost provider, or would there be some other  
21           factors that the Department would consider besides quality  
22           of service and cost?

23           A     If the question is if we have two providers in  
24           services or commodities, and everything else being equal,  
25           and one is at lower cost, we will always take the lower

1 cost.

2 Q Are you familiar with the prices of Gulf Power  
3 compared to the prices of Gulf Coast Electric Company?

4 A I'm not familiar with the details. I am familiar  
5 that a rate study has been done, questions have been asked,  
6 and rate schedules have been provided by both companies to  
7 our engineers.

8 Q Based upon what you reviewed so far, and if you  
9 had a choice of providers to serve the prison in Washington  
10 County, what company would be your choice?

11 A We would support the decision that we made to go  
12 with Gulf Coast.

13 Q Notwithstanding the fact that Gulf Coast is a  
14 higher cost?

15 A I think there is a lot of extenuating  
16 circumstances in here that we had in looking also at the  
17 criteria on who would be the provider with the lines, the  
18 lines crossing the site, the costs that we would probably  
19 have to pay or somebody would have to pay to have that line  
20 removed where the compound is. The various contributions  
21 that the other utility company had provided to local  
22 government to help bring that site a reality. Possibly  
23 without their assistance there would be no site over there,  
24 the county possibly not having the resources to go ahead and  
25 purchase that site.

1           Q       So the contribution that was made by Gulf Coast  
2 Electric Company to the county, would cause the Department  
3 of Corrections to favorably consider paying higher prices  
4 for electricity than they otherwise might have to pay, is  
5 that correct?

6           MR. FLOYD: Let me object to the form of the  
7 question. I don't think he characterized it that way.

8           MR. CRESSE: I'm asking him is that correct.

9           MR. FLOYD: Well, why don't you ask him so he can  
10 explain. Go ahead.

11          THE WITNESS: Okay. I'm not sure what question  
12 I'm answering now.

13 BY MR. CRESSE:

14          Q       Did the contribution that Gulf Coast Electric  
15 Company made to the county, did that weigh heavily in your  
16 thought that you would choose Gulf Coast?

17          A       No, it didn't weigh heavily. We were aware that  
18 that was out there. And I think that we looked at the other  
19 criteria, too, as far as I mentioned the placement of the  
20 lines, who was at the area first. I think Gulf Coast was  
21 there in 1950, the first birthmark or whatever they call on  
22 that, so I think that, you know, that was part of it. And  
23 because of that, and me not being aware that there was a  
24 dispute over two companies that wanted to provide that  
25 service, I was certainly supportive of the county's

1 selection, and I think that was very instrumental in the  
2 county wanting to go with Gulf Coast.

3 Q Do you know how much the difference is between the  
4 price from Gulf Coast and Gulf Power?

5 A For utility cost?

6 Q Yes.

7 A I believe some of the figures that I looked at it  
8 depends on whether the -- I guess there is capital credits,  
9 and when they kick in, it could be possibly between 8 and  
10 \$12,000 on an annual basis. I know based on the rate  
11 structure two or three months out of the year Gulf Coast is  
12 lower based on what we would be using. The other months,  
13 Gulf Power was a little bit higher. Talking with my  
14 engineers, again, that's very close to call as far as who is  
15 going to actually be less based on what we have once we get  
16 in and have actual operational usage.

17 Q On the capital credit issue, is it your  
18 understanding that you will get a discount below their  
19 tariff or that you will be paid patronage capital like all  
20 other customers?

21 A I don't have a complete understanding of what that  
22 would be other than it would result in reduced rates to us.

23 Q Do you know when those reduced rates would be  
24 reflected in terms of when it would be reflected on your  
25 bill or when you will get a check?

1           A     No, I don't.

2           Q     Would it make a difference to you if those reduced  
3 rates were going to be flowing in the first year or you had  
4 to wait ten years to get a refund?

5           A     Yes, it would. It would have an impact on  
6 whether, you know, that overage or that amount is going to  
7 be reduced on an annual basis. On whether it would be the  
8 fourth year, the first year, or ten years down the road.  
9 But, again, I guess from my perspective, from what our  
10 engineers tell us, that the rate differential is very close  
11 to call based on their preliminary estimates between the two  
12 companies.

13          Q     Did you make a forecast or do you base that just  
14 on current rates?

15          A     I believe it was on current rates, with the idea  
16 that rates are subject to change. So this, again, is based  
17 on the current rates.

18                   MR. CRESSE: Let me take just a minute with Jeff  
19 and then I will be right back.

20                           (Off the record.)

21 BY MR. CRESSE:

22          Q     Mr. Kronenberger, in your response a moment ago  
23 you mentioned that you were concerned about some costs that  
24 were incurred. Would you go into that with me a little bit  
25 more. That Gulf Coast had incurred.

1           A     I didn't say I was concerned; I said I think that  
2     was a factor also that Gulf Power, when we were talking  
3     about the total cost, and what the costs were on utility  
4     rates, when we looked at that, there may have been some  
5     costs associated with removing lines that would have been an  
6     additional charge possibly to the Department for moving  
7     those lines off of our site that were Gulf Coast lines.

8           Q     Did someone tell you that you would have to incur  
9     the cost of moving those lines?

10          A     Nobody specifically told me. That was, I think,  
11     part of the discussions that we had with our Staff  
12     internally, that we may have a cost associated with those.

13          Q     But no one told you, or no one from Gulf Coast  
14     told you that you would have a cost associated with those;  
15     you just assumed that?

16          A     Nobody has that I can recall from Gulf Coast  
17     represented that directly to me. Now, as I say, I didn't  
18     assume that, because we had discussions with our engineers  
19     downstairs on that and they said that there may be a cost  
20     associated with relocating those lines.

21          Q     You said earlier that you understood the cost  
22     differential to be somewhere between \$10,000 a year and  
23     \$20,000 a year, is that correct?

24          A     No, sir, I said -- you're talking about the  
25     utility rates on an annual basis?

1 Q Yes.

2 A I think from what I remember it was between 8,000  
3 and 12,000 on an annual basis.

4 Q Are you familiar with this letter that was sent to  
5 the Department of Corrections by Gulf Power Company?

6 A I have seen it in the files, yes, sir.

7 Q What have you seen that makes the estimated cost  
8 differential lower than what Gulf Power estimated?

9 A We have done our own studies, and I don't know if  
10 this was the first letter that was submitted, but I do  
11 remember that we got incorrect rates from Gulf Power. They  
12 were the wrong rates, or they were the wrong hours, or  
13 whatever it might have been, and we had to go back and  
14 clarify and get additional rates to make it more comparison,  
15 or compatible with what our load was going to be there. And  
16 do I not know whether this is the first rates, or the second  
17 rates, or the corrected rates.

18 Q Do you have the comparison that you made?

19 A No, sir, I don't have it with me.

20 Q Do you have it in your files?

21 A Yes, sir.

22 Q Could I get a copy of it?

23 A Yes, sir.

24 Q If we maybe take a break, would it take you long  
25 to find it?

1           A     It would probably take me a few minutes, it's on  
2 my desk.

3           Q     Why don't we take a break and let you find it,  
4 please.

5           A     Okay.

6                     (Off the record.)

7           THE WITNESS: We have been unable to locate it in  
8 the files, but if you will give us more time, we'll be  
9 able to get that to you, sir.

10          MR. CRESSE: Okay.

11                     (Late-filed Exhibit 1 marked for identification.)

12 BY MR. CRESSE:

13          Q     Mr. Kronenberger, would you recite for me, again,  
14 the factors that you considered other than the price?

15          A     The locations of the lines to the property, the  
16 ability of the company --

17          Q     Let me ask you just -- well, go ahead and then I  
18 will come back and ask.

19          A     The ability to provide the service, who was on the  
20 site first, and then also as a part of our policy to work  
21 with local government, what are some of their  
22 recommendations, and to ascertain from them that there is no  
23 dispute over jurisdiction to a particular site. And, of  
24 course, cost.

25          Q     You mentioned, I think, earlier that Gulf Coast's



1 contribution to the county to acquire the property was a  
2 factor, is that correct?

3 A Well, it was a factor to the county.

4 Q Is it a factor that the Department would consider?

5 A I think it's a factor in that it is part of our  
6 philosophy to work with local government to help bring about  
7 this economic development that a prison provides in the  
8 area, and also to look at what we can do in the way to help  
9 with the infrastructure if there is a cost savings to us on  
10 that, whether it be water and sewer, electric, et cetera.

11 Q In your evaluation of the ability to provide  
12 service, did you have any evidence that the quality of  
13 service from Gulf Coast would be better than the quality of  
14 service from Gulf Power?

15 A No, sir.

16 Q You said who is on the site first as a factor; are  
17 you aware that both companies had facilities adjoining the  
18 site?

19 MR. FLOYD: Well, we're talking about the  
20 difference between being on the site and being  
21 adjoining to the site, right?

22 MR. CRESSE: If he has any problem understanding  
23 the question, Counselor, let him ask.

24 MR. FLOYD: Well, I didn't understand it, that's  
25 the reason I asked.

1 MR. CRESSE: Well, you're not answering, though,  
2 are you?

3 MR. FLOYD: No, but I'm sure that everybody wants  
4 to be understood on exactly what the question is?

5 MR. CRESSE: I think that if the witness doesn't  
6 understand the question. Let me just deal with the  
7 witness on this.

8 BY MR. CRESSE:

9 Q If you don't understand the question, Mr.  
10 Kronenberger, please make me clarify it, would you?

11 A Would you repeat the question, sir.

12 Q Sure. The question I asked you was, are you  
13 familiar with the fact that both utilities had lines  
14 adjoining the site?

15 A I'm familiar that lines from both companies were  
16 running down both sides of the site, and also the lines from  
17 Gulf Coast across the site.

18 Q Now, the line that Gulf Coast ran across the site,  
19 was that to serve a single customer?

20 A Pardon me?

21 Q Was that line that Gulf Coast had across the site,  
22 was that to serve a single customer?

23 A I have no idea on what or how many customers that  
24 was serving, or whether it was is a one-phase, or a  
25 three-phase, or two-phase, or how many phases we have. I

1 have no idea, sir.

2 Q Was it your understanding that that line would  
3 have to be removed regardless of who served the site?

4 A Yes, sir, that's my understanding.

5 Q You said one of the factors was the local  
6 government could ascertain that there is no dispute over the  
7 site. Were you advised that there was no dispute over the  
8 site?

9 A Yes, I was.

10 Q By the local government?

11 A Well, representatives of the local government and  
12 the people that we dealt with early on on the site selection  
13 and worked with over the last two years or so before we  
14 finalized the site over there in Washington County.

15 Q As a matter of practice, have you delegated to the  
16 county the authority to choose the utility in any other  
17 site?

18 A No. It's not a matter of practice other than we  
19 hope that through the county, through local government, and  
20 local representatives that any disputes are eliminated  
21 before we get into a situation that it has to go to the  
22 Public Service Commission.

23 Q You now have under construction several prison  
24 sites?

25 A Yes, sir.

1           Q     Have you delegated to the county in any other case  
2 the authority to choose the electric utility?

3           A     I'm not aware of disputes in any other cases in  
4 which we have gone through this same procedure. In all  
5 these other sites that we have gone through with Washington  
6 County to ascertain from their perspective that there are no  
7 disputes, and in all of these cases it has come out that we  
8 have not got into any disputes with electric companies  
9 claiming dual jurisdiction in a particular area other than  
10 Washington County.

11          Q     So your hope was that Washington County would work  
12 out any disputes, is that correct?

13          A     Well, I think our anticipation was that not  
14 necessarily if they had to work out any disputes, but that  
15 it was already a foregone conclusion that there were no  
16 disputes in that particular area.

17          Q     If the price differential was deemed to be as much  
18 as 16 to \$20,000, would that affect your decision?

19          A     Again, I think if cost is the only decision, that  
20 is an easy decision for us to make. If that is the only  
21 decision, every time we are going to make the decision to go  
22 with the same quality or better quality of service. If we  
23 could get it at a lower cost, we are going to go with lower  
24 cost. I don't know how to answer that, I think I've already  
25 answered that early on to one of your questions.

1 Q Well, I guess my question is you considered  
2 factors other than cost in this situation, is that right?

3 A Again, I've also mentioned that the cost that we  
4 had based on our engineers review of the work load and what  
5 the institution would be generating, that it was very close  
6 to the extent that it may even be too close to call.

7 Q Okay. I understand that, sir. Now I'm asking you  
8 a question, that if you were satisfied that the cost was,  
9 say, \$20,000 a year difference between the two utilities,  
10 would your decision be to go with the lowest priced utility?

11 MR. FLOYD: Let me object on that because that is  
12 not the proper facts in terms of this particular case.  
13 I mean to the extent that that's the only factor  
14 involved, I mean, the witness --

15 MR. CRESSE: It's not the only factor involved, he  
16 said there are other factors. I'm asking him a  
17 question.

18 BY MR. CRESSE:

19 Q If you were satisfied that the cost differential  
20 was 16 to \$20,000 a year, would that make a difference in  
21 your decision?

22 A If the cost differential was \$2,000 a year we  
23 would go with low cost, and that's our philosophy that,  
24 again, whether it's a product or a service, all comparisons  
25 being equal, we will go with low cost.

1 Q So, basically, your policy is the same as stated  
2 by Mr. Thurber in that October 1987 letter, is that correct?

3 A Well, I don't have my glasses, so I'm not sure.

4 Q I don't know if mine will help you or not.

5 A What power are they?

6 Q I don't know, but they are for old people.

7 A I've got to have bifocals. Is it regarding Holmes  
8 County?

9 Q Yes.

10 A Sir, again, our policy hasn't changed from going  
11 with low cost for comparable services or products.

12 Q Mr. Kronenberger, I'm going to kind of summarize  
13 what I have heard and what I understand. And I'm going to  
14 state it, and you correct me if I am misstating what I  
15 understand you have said.

16 MR. FLOYD: Well, I'm going to object to the  
17 extent that we have already gone over the questions and  
18 had verbatim answers. And if there is some additional  
19 questions that you want to make, fine. But other than  
20 that, argument on it goes to the Public Service  
21 Commission not in terms of the deposition. I'm sure  
22 you of all people are aware of that, Mr. Cresse.

23 MR. CRESSE: Well, let me try it this way then.

24 BY MR. CRESSE:

25 Q When you made your decision, you had an analysis

1 before you, as I understand it, that indicated that there  
2 was not much difference, if any, in the price, is that  
3 correct?

4 A It was very close. Based, again, on the current  
5 rate structure and based on what our load demands would be  
6 for the institution, our projected load demands.

7 Q If that analysis had satisfied you that Gulf  
8 Power's rates were \$16,000 a year less than Gulf Coast,  
9 would you have chosen Gulf Power or Gulf Coast?

10 MR. FLOYD: Let me object to the form of the  
11 question, insofar as it has already been asked and  
12 answered at least three times in the deposition.

13 MR. CRESSE: Well, maybe I don't understand it,  
14 but let me just go ahead and get him to answer it  
15 again.

16 THE WITNESS: Again, if that's the only factor and  
17 the only decision of comparable services at a lower  
18 cost, we will select the lower cost service or product.

19 BY MR. CRESSE:

20 Q Mr. Kronenberger, in your response earlier you  
21 said that based on your analysis of the price differences  
22 that there were some months Gulf Power would be higher and  
23 other months when Gulf Power would be lower than Gulf Coast,  
24 is that correct?

25 A Yes, that's correct.

1 Q Would you provide us that analysis as a late-filed  
2 exhibit along with the other information we have requested?

3 A Yes, sir.

4 (Late-filed Exhibit Number 2 marked for  
5 identification.)

6 MR. CRESSE: We have no further questions at this  
7 time.

8 CROSS EXAMINATION

9 BY MR. FLOYD:

10 Q Mr. Kronenberger, my name is Patrick Floyd, I'm  
11 the attorney here for Gulf Coast Electric Cooperative, and I  
12 have just a few questions for you to wrap this up.

13 Mr. Kronenberger, in deciding the factors of who  
14 is to serve, provide the power source or provide any of the  
15 utilities, is it correct that there are multiple factors,  
16 including those which you listed here, that's not an  
17 exclusive list of them, is it?

18 A No, sir. I think that our whole philosophy is to,  
19 again, work with local government to have an economic impact  
20 in the community there. Not just from jobs, but also to  
21 look and determine what other cost-effective ways that we  
22 might utilize the county, their existing infrastructure to  
23 make improvements that will still be beneficial and  
24 cost-effective for us.

25 Q Mr. Kronenberger, is it correct that the initial



1 representation to you from Washington County Board of County  
2 Commissioners, that's the local governing body there,  
3 correct?

4 A Yes.

5 Q That their communication to you was that their  
6 preference was that Gulf Coast Electric Cooperative serve  
7 this prison?

8 A Yes, I believe that's correct.

9 Q Has that continued to be their position of the  
10 local governing body to this date, to your knowledge?

11 A To my knowledge, yes, sir.

12 Q Mr. Kronenberger, you have been involved in your  
13 position in a number of locations of prisons in counties  
14 throughout the State of Florida, have you not?

15 A That's correct.

16 Q And in going into a county, is it your experience  
17 that in setting up and operating a correctional facility  
18 that you found it very important for the success of that to  
19 work with the local governing body, the county  
20 commissioners?

21 A Absolutely. I think in most cases, based on the  
22 North Florida area there, counties become aware and are  
23 aware of the economic impact that an institution brings, and  
24 they are willing to go out then and donate sites for the  
25 purpose of construction, of constructing a facility.

1           Q     All right, sir. And, of course, in the course of  
2 this particular project, you were made aware of the fact  
3 that rural development grants and types of loans have been  
4 made by Gulf Coast to assist in actually the location of  
5 this prison in Washington County?

6           A     That's correct.

7           Q     Now, I want to ask you something, is it your  
8 experience in these other prisons around that whenever there  
9 is another power company that's interested in providing  
10 service that they come in right from the start and let you  
11 know about it?

12          A     I have not had this experience where we had a  
13 dispute before. The situation that we talked about at  
14 Holmes was just about the time that I had gotten here.  
15 Since that time we have probably constructed, I don't know,  
16 maybe 12 institutions, major institutions, and I haven't  
17 been aware that there was ever another dispute or a dispute  
18 such as this.

19          Q     Based on your experience in dealing with these  
20 prisons and county commissions, wouldn't you have expected  
21 if Gulf Power had been interested in providing service, that  
22 they would have come to you early on at the same time that  
23 the county was representing to you that Gulf Coast was to  
24 serve?

25          A     That was the question that I always had in my

1 mind. Why would Gulf Power wait 60 days after a decision  
2 has been made to go with Gulf Coast before they notified me  
3 that they were also claiming jurisdictional, I guess, rights  
4 to that particular area there.

5 Q They have seven people here on behalf of Gulf  
6 Power today in this office for your deposition. During that  
7 60 days, did anybody from Gulf Power come in and make their  
8 position known as far as you knew?

9 A Not until I heard from -- I believe his name was  
10 Vic Jones with Gulf Power. And, as I say, it was about 60  
11 days when they came in and wanted to meet with us and tell  
12 us that they had jurisdictional rights, if that's the  
13 correct terminology for the site.

14 Q And by that time, Mr. Kronenberger, you had  
15 already decided that the -- the state had already decided  
16 that the facility would be located where it was located,  
17 correct?

18 A That's correct.

19 Q And made the decision, or approved the decision,  
20 confirmed it that Gulf Coast Electric would be serving the  
21 facility?

22 A That's correct.

23 Q And do you know whether or not that was after the  
24 time that Gulf Coast had already given the money for this  
25 rural development?



1 know that Gulf Power Company could serve that area or was  
2 claiming they could serve that area?

3 A That's correct, sir. At the time I made my  
4 decision I was not aware that Gulf Power felt that they  
5 were, or wanted to be considered as a provider to that area,  
6 yes, sir.

7 Q So, basically, if we contacted you in April, there  
8 was an internal communication problem within the Department  
9 then on that subject, is that correct?

10 A No, I don't think it was internal communications,  
11 because, as I say, we have engineers, we have project  
12 managers, they are expected to go out and to do certain  
13 things and to provide certain information. It wouldn't  
14 necessarily be advising me of when they have got  
15 correspondence back from all or any of the utility companies  
16 on the rate structures. And I would go to them then and ask  
17 them for what is the difference in the rates, and not  
18 necessarily on when they had been contacted or who they  
19 contacted.

20 Q As a matter of practice, when somebody contacts  
21 the Department of Corrections to work on a new site in this  
22 manner, are they not instructed to work with the project  
23 manager?

24 A The project manager is usually the lead person  
25 that would be involved, but the project manager's duties are

1 not necessarily the early planning type. It's basically  
2 associated with the construction of the facility, and once  
3 we have contracts with that. In the interim, I'm one of the  
4 lead persons that's involved in working with local  
5 government on coming up with the selection and making sure  
6 that our engineers go out and do the soil tests and select  
7 the correct site, et cetera, et cetera. A lot of that is  
8 involved with the physical characteristics of the site.

9 Q Is Marvin Moran (phonetic) an employee?

10 A Yes, sir.

11 Q And what is his responsibilities?

12 A He's a project manager. His responsibilities are  
13 coordinating between the contractors, the architects of  
14 records, and any type of material delivery problems to  
15 ensure that the project, the actual construction is on  
16 schedule and within our time lines. He's not a policy  
17 decision-maker.

18 Q Then you're saying that maybe Gulf Power submitted  
19 their information to the wrong person in the Department?

20 A No, I'm not saying that. I'm not sure who  
21 requested the information. Usually it's somebody that we  
22 have in Facility Services that routinely -- and in most  
23 cases it's an engineer that would contact the power  
24 companies to ask them for their rates, because Marvin Moran  
25 would not have the capability to analyze their rates or

1 their rate structure, whether it was current or consistent.

2 Q Who is Brian Blair?

3 A Brian Blair is the project manager, sir. He is  
4 the same level as Marvin Moran. He's responsible for actual  
5 construction.

6 Q Isn't it typical when a prison site is chosen that  
7 the utility representatives initiate contact with the  
8 Department?

9 A I'm sorry, I didn't understand that question, sir.

10 Q In a typical situation when a prison site is  
11 chosen, don't the utility representatives contact the  
12 Department?

13 A No, it's my policy to make sure that our engineers  
14 notify all the electrical companies in the area and ask  
15 anybody that has service lines nearby to provide rates.

16 Q And in this case, they would have contacted both  
17 Gulf and Gulf Coast, is that correct?

18 A That's correct, sir.

19 Q And so what I'm having trouble with is you're  
20 saying that you are not knowing that Gulf Coast was willing  
21 to serve the area until after you had made the decision?

22 MR. FLOYD: Let me correct that. You just said  
23 Gulf Coast.

24 MR. CRESSE: Excuse me, Gulf Power. Let me  
25 correct that, too.

1           THE WITNESS: I was aware that there were lines  
2           from both utility companies in close proximity to the  
3           property. I was aware that both companies have  
4           submitted rates to us for the operation of the  
5           facility. And based on information that I had and  
6           contacting and discussing with legal representatives,  
7           it was my understanding that there was no dispute  
8           between the two companies that Gulf Coast was the  
9           provider in that area, sir.

10       BY MR. CRESSE:

11           Q     And it was your further understanding --

12           A     And that Gulf Power did not indicate at that time,  
13           or I wasn't aware that Gulf Power wanted to serve that  
14           facility.

15           Q     Do you know when they announced the selection of  
16           the utility, when the county made that decision?

17           A     I believe it was early May.

18           Q     You told the county that it was your understanding  
19           on May 28th that Gulf Coast would provide the service, is  
20           that correct? Excuse me. I'm sorry, on May 26th you  
21           advised the county -- I gave you the wrong letter, I  
22           apologize.

23           A     Yes, sir, that's my letter.

24           Q     And the county would not have made the decision  
25           until after you advised them on May 26th, is that correct?



1           MR. FLOYD: I'm sorry, you're asking him a  
2 question -- I think that would be beyond the scope of  
3 his knowledge as to when the county board actually  
4 decided.

5           MR. CRESSE: They weren't granted the authority  
6 until May 26th. My question is, it would have been  
7 after May 26th by the time the county had made that  
8 decision, is that right?

9           THE WITNESS: I think that's correct. I think  
10 that's probably supported by the response from the  
11 county there on their date of May 28th.

12          MR. CRESSE: Nothing else.

13          MR. FLOYD: I don't have any further questions.  
14 Thank you.

15                   (The deposition was concluded at 9:55 a.m.)  
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CERTIFICATE OF ADMINISTERING OATH

STATE OF FLORIDA:  
COUNTY OF LEON:

I, JANE FAUROT, Notary Public in and for the State of Florida at Large:

DO HEREBY CERTIFY that on the date and place indicated on the title page of this transcript, an oath was duly administered by me to the designated witness(s) before testimony was taken.

DATED THIS 14th day of October, 1994.



JANE FAUROT  
MY COMMISSION # CC295578 EXPIRES  
July 16, 1997  
BONDED THRU TROY FAIN INSURANCE, INC.

JANE FAUROT  
100 Salem Court  
Tallahassee, Florida 32301  
(904) 878-2221

MY COMMISSION EXPIRES: 7/16/97

CERTIFICATE OF REPORTER

STATE OF FLORIDA )  
COUNTY OF LEON )

I, JANE FAUROT, Court Reporter, do hereby certify that the foregoing proceedings was taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 30 are a true and correct record of the proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

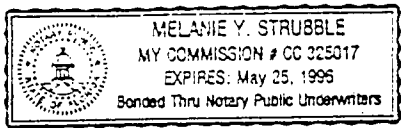
DATED THIS 14th day of October, 1994.

JANE FAUROT  
100 Salem Court  
Tallahassee, Florida 32301  
(904) 878-2221

SWORN TO AND SUBSCRIBED TO BEFORE ME THIS 14th day of OCTOBER, 1994, IN THE CITY OF TALLAHASSEE, COUNTY OF LEON,

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STATE OF FLORIDA, BY THE ABOVE PERSON WHO IS PERSONALLY  
KNOWN BY ME.



*Melanie Y. Strubble*  
\_\_\_\_\_  
NOTARY PUBLIC  
STATE OF FLORIDA