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October 19, 1994

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E. DIXIE BEGGS *Retired* BERT H. LANE 1917-1981

HAND DELIVERY

Ms. Blanca Bayo Division of Records and Reporting Florida Public Service Commission 101 East Gaines Street Tallahassee, Florida

Re: Docket No. @20005-EU.

Dear Ms. Bayo:

The original and fifteen (15) copies of Gulf Power Company's Response to Gulf Coast Electric Cooperative's Motion to Strike Rebuttal Testimony of Russell L. Klepper, and Request for Oral Argument, are submitted for filing in the above docket. Also enclosed is a double sided high density 3.5 inch floppy disk containing these documents in WordPerfect 5.1 format as prepared on a MS-DOS based computer.

Thank you for your assistance in this matter.

RECEIVED & FILED

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Very truly yours,

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Teresa E. Liles For the Firm

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to resolve territorial dispute with Gulf Coast Electrical Cooperative, Inc. by Gulf Power Company

Docket No. 930885-EU

GULF POWER COMPANY'S RESPONSE TO GULF COAST ELECTRICAL COOPERATIVE'S MOTION TO STRIKE REBUTTAL TESTIMONY OF RUSSELL L. KLEPPER

GULF POWER COMPANY ["Gulf Power", "Gulf", or "the Company"], by and through its undersigned counsel, files this Response to Gulf Coast Electrical Cooperative's ["the Coop"] Motion to Strike Rebuttal Testimony of Russell L. Klepper, and states:

 The rebuttal testimony of Russell Klepper directly addresses two issues raised in the testimony of Coop witness Mr. H.
 W. Norris:

a. Rate and policy issues specifically related to the issue of electric service to the prison [pp. 13-21, Direct Testimony of H. W. Norris]; and

b. Policy issues specifically related to the issue of the area in dispute [pp. 4-11, 21-25, Direct Testimony of H. W. Norris].

2. Historically, the Commission has limited territorial disputes to the area identified by the petitioner, and has rendered its ultimate decision based upon the criteria identified in Section 366.04, Florida Statutes (1993) and Rule 25-6.0441, Florida Administrative Code. Should the Commission deem it appropriate to limit the scope of the dispute to the prison area alone, basing its decision on the criteria historically used by the Commission, Mr. Klepper's testimony should be considered only insofar as it relates DOCUMENT NUMBER-DATE

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to electric service to the prison.

3. Should the Commission deem it appropriate to give consideration to the policy issues raised in Mr. Norris' testimony, specifically with respect to a broadening of the area deemed to be in dispute, it would be wholly inequitable to disallow Mr. Klepper's rebuttal to such testimony.

4. Gulf Power has been put in the untenable position of rebutting testimony with respect to an issue which Gulf sought to have determined in its Motion to Limit Scope of Issues filed on June 3, 1994, but which will apparently not be determined until or after the hearings.

5. While Gulf Power strongly believes that an expansion of the scope of its petition would best be considered in a separate proceeding, should the Commission deem it appropriate to do so Gulf is wholly prepared to address that issue in this docket. However, consideration of the best interests of the ratepayers affected by such a determination dictates that the policy issues be fully considered and addressed by the Commission. Relegating ratepayers of this state to higher rates and lower reliability by cooperatives subsidized by taxpayer dollars when service is readily available from an investor owned utility regulated by the Commission, should not be undertaken without a full consideration of the policy issues. Absent the opportunity to present Mr. Klepper's testimony on these policy issues, Gulf's argument regarding the area in dispute will essentially be reduced to a mere geographical description.

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6. It is the Coop which has sought to broaden the scope of this docket and has raised the policy issues in Mr. Klepper's testimony. It should not now be heard to complain when Gulf seeks to allow full and fair consideration of these issues.

Respectfully submitted this 1914 day of October, 1994.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to resolve territorial dispute with Gulf Coast Electrical Cooperative, Inc. by Gulf Power Company

Docket No.: 930885-EU

CERTIFICATE OF SERVICE

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I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to the following by hand delivery or U.S. Mail this 19th day of October, 1994:

John H. Haswell, Esquire Chandler, Lang & Haswell, P.A. 211 N.E. 1st Street P.O. Box 23879 Gainesville, FL 32602

J. Patrick Floyd, Esquire 408 Long Avenue Port St. Joe, FL 32456 Martha Carter Brown, Esquire Florida Public Service Commission 101 East Gaines Street Tallahassee, FL 32301

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