

92,479

FILED

SID J. WHITE

JUL 6 1994

FLORIDA PUBLIC SERVICE COMMISSION

CLERK, SUPREME COURT

By

Chief Deputy Clerk

In Re: Petition to resolve
Territorial dispute with Gulf
Coast Electric Cooperative, Inc.
By Gulf Power Company.

DOCKET NO. 930885-EU

FILED

SID J. WHITE

OCT 24 1995

FIRST DAY - MORNING SESSION

CLERK, SUPREME COURT

By

Chief Deputy Clerk

VOLUME 1

PAGES 1 through 198

PROCEEDINGS:

HEARING

BEFORE:

CHAIRMAN J. TERRY DEASON
COMMISSIONER SUSAN F. CLARK
COMMISSIONER JULIA L. JOHNSON

DATE:

Wednesday, October 19, 1994

TIME:

Commenced at 9:35 a.m.

PLACE:

FPSC Hearing Room 106
101 East Gaines Street
Tallahassee, Florida

REPORTED BY:

LISA GIROD JONES, RPR, CM

*W. Paul Rayborn
and Associates*

P.O. BOX 10195

TALLAHASSEE, FLORIDA 32302-2195

BUREAU OF REPORTING

(904) 224-7642

DOCUMENT NUMBER-DATE

RECEIVED 10-31-94

11084 NOV-1 95

FPSC-RECORDS/REPORTING

1 APPEARANCES:

2 JEFFREY A. STONE, Esquire, and TERESA E. LILES,
3 Esquire, Beggs & Lane, 700 Blount Building, 3 West Garden
4 Street, P. O. Box 12950, Pensacola, Florida 32576-2950;
5 appearing on behalf of Gulf Power Company.

6 JOSEPH P. CRESSE, Class B Practitioner, Messer,
7 Vickers, Caparello, Madsen & Goldman, P.A., 215 South
8 Monroe Street, Suite 701, Tallahassee, Florida 32301;
9 appearing on behalf of Gulf Power Company.

10 JOHN H. HASWELL, Esquire, Chandler, Lang &
11 Haswell, 211 N.E. First Street, Gainesville, Florida
12 32601; appearing on behalf of Gulf Coast Electric
13 Cooperative, Inc.

14 JOHN P. FLOYD, Esquire, 408 Long Avenue, Port
15 St. Joe, Florida 32456; appearing on behalf of Gulf Coast
16 Electric Cooperative, Inc.

17 MARTHA CARTER BROWN, Esquire, Florida Public
18 Service Commission, 101 E. Gaines Street, Tallahassee,
19 Florida 32399-0863; appearing on behalf of the Commission
20 Staff.

21 PRENTICE PRUITT, Esquire, Florida Public Service
22 Commission, 101 E. Gaines Street, Tallahassee, Florida
23 32399-0863; as counsel to the Commissioners.
24
25

	I N D E X	
	Name:	Page No.
1		
2	RON KRONENBERGER	
3	Prefiled Deposition inserted	34
4		
5	WILLIAM C. WEINTRITT	
6	Direct Examination by Mr. Stone	62
7	Prefiled Direct Testimony inserted	64
8	Cross Examination by Mr. Haswell	81
9	Cross Examination by Ms. Brown	156
10	Redirect Examination by Mr. Stone	165
11	Recross Examination by Ms. Brown	189
12	ReCross Examination by Mr. Haswell	190
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

	EXHIBITS	Identified	Admitted
1	Number:		
2			
3	1 - (Kronenberger) 5-21-93 Interoffice		
4	Memo From Alan Kellum to David Scott	22	
5	2 - (Weintritt) (Composite) WCW-1	63	195
6	3 - (Weintritt) Staff's 2nd Set of		
7	Interrogatories, Item No. 11	185	195
8	4 - (Weintritt) Staff's 2nd Set of		
9	Interrogatories, Item Nos. 6 and 8	185	195
10	5 - (Weintritt) Staff's 2nd Set of		
11	Interrogatories, Item No. 15	189	195
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PROCEEDINGS

(Hearing convened at 9:35 a.m.)

PROCEEDINGS

CHAIRMAN DEASON: Call the hearing to the order. Could we have the notice read, please?

MS. BROWN: By notice issued September 22nd, 1994, this time and place was set for hearing in Docket No. 930885-EU, Petition to Resolve Territorial Dispute with Gulf Coast Electrical Cooperative, Incorporated, by Gulf Power Company. The purpose of the hearing is fully set out in the notice.

CHAIRMAN DEASON: Thank you. Take appearances. There's no need to stand. You can keep your seat and make your appearance will be just fine.

MR. FLOYD: My name is Patrick Floyd. I am co-counsel on behalf of Gulf Coast Electric Cooperative.

MR. HASWELL: My name is John Haswell of the firm of Chandler, Lang & Haswell, 211 Northeast First Street, Gainesville, Florida, appearing on behalf of Gulf Coast Electric Cooperative, Inc.

MS. LILES: Teresa Liles with the law firm Beggs & Lane, Post Office Box 12950, Pensacola, Florida, acting as attorney for Gulf Power Company.

MR. STONE: I'm Jeffrey A. Stone, also of the law firm Beggs & Lane in Pensacola, appearing on behalf of

1 Gulf Power Company.

2 MS. BROWN: Martha Carter Brown -- representing
3 -- I'm sorry, Mr. Cresse, go ahead.

4 MR. CRESSE: I'm Joe Cresse, Class B
5 practitioner on behalf of Gulf Power Company.

6 MS. BROWN: Martha Carter Brown representing the
7 Florida Public Service Commission Staff.

8 MR. PRUITT: And I'm Prentice Pruitt, counsel to
9 the Commissioners.

10 CHAIRMAN DEASON: Thank you. Ms. Brown, do we
11 have any preliminary matters?

12 MS. BROWN: Yes, Commissioner, unfortunately, we
13 do have some.

14 CHAIRMAN DEASON: Could you tell us the status
15 of that, please?

16 MS. BROWN: Well, first of all, let me direct
17 you to the prehearing order. There was an outstanding
18 motion to compel discovery. It's my understanding that
19 the conflict over discovery has been resolved and that
20 motion to compel is moot and there would be no need for
21 you to rule on that. I just wanted to clear that up.

22 CHAIRMAN DEASON: I assume that that's correct?

23 MR. HASWELL: That's my understanding.

24 MS. LILES: That's correct, Commissioner. To
25 our knowledge we've received the documents that we asked

1 for.

2 CHAIRMAN DEASON: Very well.

3 MS. BROWN: We have one outstanding motion to
4 strike rebuttal testimony filed by Gulf Coast and --

5 MR. HASWELL: Excuse me, Martha, if I could just
6 -- maybe a few simple matters we could clear up before we
7 could get into that one.

8 MS. BROWN: I was just going to mention it and
9 then go to the others. Also Gulf Coast wishes to change
10 the order of its witnesses as reflected in the prehearing
11 order. They wish to have Mr. Gordon, Mr. Norris,
12 Mr. Dykes and Mr. Parish, in that order. Also --

13 CHAIRMAN DEASON: I'm sorry, Mr. Gordon and then
14 Mr. Norris?

15 MS. BROWN: Yes.

16 CHAIRMAN DEASON: And then?

17 MS. BROWN: Mr. Dykes.

18 CHAIRMAN DEASON: Okay.

19 MS. BROWN: And then Mr. Parish. Gulf Coast has
20 also filed the deposition of Ron Kronenberger, and Gulf
21 Power filed that same deposition attached to the rebuttal
22 testimony of Mr. Klepper. I don't know -- I suppose we
23 should take care of the deposition and the order of
24 witnesses first and then deal, if you want to, with --

25 CHAIRMAN DEASON: We'll address order of

1 witnesses. There has been a suggestion made that that
2 order of witnesses for Gulf Coast be changed. Is there
3 any objection to the order of witnesses?

4 MS. LILES: No objection.

5 MS. BROWN: No objection.

6 CHAIRMAN DEASON: Very well. Show that that
7 revised order which I have. It would be Mr. Gordon,
8 Mr. Norris, Mr. Dykes and then Mr. Parish.

9 MR. HASWELL: Mr. Chairman, we also had one
10 additional one, adding Issue No. 6 which was inadvertently
11 left off. I thought I had sent a fax to the Staff on that
12 one, but Jeff Parish would also be addressing Issue No.
13 6. That's under IV, Order of Witnesses, Issue No. 1.

14 CHAIRMAN DEASON: Now, there was some question
15 about a deposition?

16 MS. BROWN: Yes, perhaps Mr. Haswell would like
17 to explain that.

18 MR. HASWELL: Commissioners, at the prehearing
19 conference, Gulf Power indicated that they wanted to take
20 the deposition of Mr. Kronenberger, and basically
21 represented to the Commission that the Commission ought to
22 find out what the, quote, "customer preference" was.

23 At that prehearing conference, Mr. Cresse had
24 made a comment that they may wish to call a Department of
25 Corrections employee, and basically, generally, in the

1 hope that we could reach an agreement that it would be
2 acceptable to file the deposition in lieu of an appearance
3 by the department employee. And then we asked if we would
4 have that same opportunity, and Commissioner Clark
5 indicated that she was going to allow both parties an
6 opportunity to add a witness on that point. But we
7 assumed that Mr. Kronenberger was going to be Gulf Power's
8 witness. They did in fact take the deposition of
9 Mr. Kronenberger. But instead of filing it as testimony
10 in lieu of an appearance, they attached it as an exhibit
11 to the rebuttal testimony of Mr. Klepper.

12 We feel that the Commission should have that
13 information, and in exercising our right to have a witness
14 on that point, if Gulf Power is not going to submit that
15 as rebuttal -- excuse me, as testimony for Gulf Power,
16 then we will use Mr. Kronenberger as our witness on that
17 same point, following the prehearing order -- prehearing
18 conference opportunity that the hearing officer gave us to
19 file a witness on that point.

20 Unfortunately that's resulted, I think, in a
21 whole bunch of copies of Mr. Kronenberger's deposition
22 being filed. But if Mr. Klepper's rebuttal testimony is
23 stricken, then there won't be an exhibit attached to it.
24 I would offer Gulf Power, if they wanted to say that they
25 would submit Mr. Kronenberger's deposition as their

1 witness, fine.

2 CHAIRMAN DEASON: Are you raising this matter
3 because there is the possibility that the rebuttal
4 testimony of Mr. Klepper will be stricken and that's how
5 the problem arises?

6 MR. HASWELL: I certainly hope so. Not only
7 that, Mr. Chairman, I don't know what the real benefit is
8 or the -- or just what weight you can give to attaching a
9 deposition to somebody's testimony without them sponsoring
10 it as their witness. That seems to me has dropped from a
11 level of being our witness on the customer preference
12 issue, which they were concerned about at the prehearing
13 conference, Commission allowed them to present a witness
14 at a late date on that, with us having the same
15 opportunity, by deposition. Now what we don't understand
16 is why they don't just submit it as the deposition
17 testimony of Mr. Kronenberger as one of their witnesses in
18 lieu of his appearance.

19 CHAIRMAN DEASON: Mr. Stone?

20 MR. STONE: Mr. Chairman, we asked if Gulf Coast
21 would be willing to stipulate to such deposition at the
22 prehearing conference. We did not hear that such a
23 stipulation was forthcoming. We now understand that
24 they're willing to stipulate Mr. Kronenberger's deposition
25 into the record, and we so stipulate.

1 I would caveat that our purpose in taking the
2 deposition was to get that information before the
3 Commission. I don't believe Mr. Kronenberger should be
4 Gulf Power's witness. I don't believe he should be
5 considered Gulf Coast's witness, and I don't want the
6 stipulation of his testimony into the record to be an open
7 invitation for the calling of a live witness at this late
8 date.

9 And with one final comment with regard to
10 Mr. Kronenberger's deposition, in the course of his
11 deposition, he identified some material that he promised
12 to provide as a late-filed exhibit. We received that
13 material by fax and we will be prepared to distribute that
14 material so that his deposition is complete with the
15 information that he referred to and promised to provide by
16 late-filed exhibit.

17 CHAIRMAN DEASON: Staff?

18 MS. BROWN: Staff has no objection to the
19 admission of Mr. Kronenberger's deposition, and would
20 suggest to the Commission that they can give it the weight
21 that it's due in the case.

22 CHAIRMAN DEASON: I take it then that no parties
23 object to having the deposition simply stipulated into the
24 record and the deposition will simply speak for itself?

25 MR. HASWELL: I guess what I'm hearing is Gulf

1 Power at the prehearing conference said that they wanted
2 to have a witness to that effect. What they're telling us
3 now is that this is not their witness. Mr. Kronenberger
4 is not their witness.

5 CHAIRMAN DEASON: As I understand it, all
6 parties would simply be stipulating that deposition would
7 just simply be inserted into the record and it would speak
8 for itself and that the Commission would give whatever
9 weight to that testimony it deems appropriate. I don't
10 know what the significance is as to whether that is their
11 witness or that is not their witness. Perhaps you can
12 enlighten me as to why you think that is a critical
13 issue.

14 MR. HASWELL: There's a big difference between
15 sponsoring a witness and having a witness in your behalf.
16 You have a hard time trying to impeach your own witness.

17 COMMISSIONER CLARK: Mr. Chairman, maybe a way
18 out of this is simply to have -- accept the deposition
19 into the record and have it not be as either party's
20 witness, but information that would be useful to the
21 Commission.

22 CHAIRMAN DEASON: That was what was my intent
23 that we would try to accomplish by simply having it
24 inserted and it would speak for itself.

25 COMMISSIONER CLARK: What they're concerned

1 about is there are certain things you can and can't do if
2 it's your witness. And also with respect to any
3 statements made that are contrary to your position, then
4 it's held against you, in effect, because it's your
5 witness. I don't have their terms of art that are used,
6 but that's the reason, probably, they don't want to have
7 it as their witness. It's probably not completely
8 favorable testimony to them.

9 CHAIRMAN DEASON: I understand that, and my
10 concern was I was concerned as to whether -- if it was a
11 certain witness being called by a certain party, whether
12 that entitled another party to call a rebuttal witness to
13 that, and we get into this whole debate as to who has the
14 last word. That's what I want to avoid.

15 So everyone that's a party to this case right
16 now, tell me if you plan to call anymore witnesses or if
17 you plan to object to any type of testimony as a result of
18 this deposition, let's get it out on the table right now
19 so we don't play these games later on.

20 MR. FLOYD: Mr. Chairman, the corresponding
21 right that was given by the hearing officer to that of
22 Gulf Power was that Gulf Coast could also obtain by
23 deposition the testimony of a witness and present it as to
24 that point, given the late time of it. We did that. We
25 took the deposition of a Mr. Dougherty, one of the Gulf

1 Power employees, to present on that point and have it to
2 submit as our corresponding right by deposition
3 testimony. So we would like to do the same thing as has
4 been done on that, just stipulate that that information go
5 into the record as -- for information to be given weight
6 by the Commission as it deems fit, with it not being
7 either Gulf Power's or Gulf Coast's, particularly since
8 it's a Gulf Power employee.

9 CHAIRMAN DEASON: Mr. Stone?

10 MR. STONE: Mr. Chairman, Mr. Dougherty's
11 deposition does not go to the issue that Mr. Kronenberger
12 was deposed upon. It is not -- it is not in the same
13 nature as Mr. Kronenberger's deposition, who was a
14 Department of Corrections' employee testifying from the
15 Department of Corrections' viewpoint. The only thing that
16 Mr. Dougherty could offer with regard to what the DOC felt
17 would be considered hearsay. I don't believe it is
18 appropriate testimony. The whole purpose of taking
19 Mr. Kronenberger's deposition and presenting it to the
20 Commission was so that the Commission would have
21 information direct from the Department of Corrections.

22 With regard to different interpretations of what
23 that means, I think the record is already adequate with
24 regard to the prefiled testimony of both sides of the
25 issue. And it was simply an attempt to make sure that we

1 got their voice before the Commission for whatever weight
2 it should be accorded.

3 It seems to me that the Gulf Coast Electric
4 Cooperative is trying to use the avenue of
5 Mr. Kronenberger's deposition as an opportunity to bring
6 other deposition material into this record that is not
7 relevant to that issue but they would like to use for
8 other purposes.

9 And if they can point to specific passages of
10 Mr. Dougherty's deposition that relate directly to the
11 issue that Mr. Kronenberger has been deposed upon, then we
12 would be happy to address those specifically. But taken
13 as a whole, Mr. Dougherty's deposition was a discovery
14 deposition, we understood it to be a discovery deposition
15 relating to the testimony of other witnesses in this
16 proceeding, and it should not be admitted on its own
17 right.

18 MR. FLOYD: Mr. Chairman, simply because the
19 depositions, that of Mr. Kronenberger and that of
20 Mr. Dougherty, did not turn out the way that Gulf Power
21 perceived that they would, does not at this time mean they
22 can back out of the agreement that was established. They
23 had --

24 CHAIRMAN DEASON: Tell me what agreement was
25 established. Where is that documented?

1 MR. FLOYD: The agreement that was confirmed was
2 basically that they had an opportunity to add a witness by
3 deposition testimony on the customer preference area,
4 which was Mr. Kronenberger. His testimony in that varied
5 from everything from when the Department of Corrections
6 was contacted, the grants, how much rate was in it, all of
7 the things dealing with customer preference. The hearing
8 officer said, I am going to allow the opportunity to add
9 another witness on that point, but I will also allow the
10 opportunity -- allow Gulf Coast the opportunity to add
11 another witness on that point too, in all fairness. So we
12 then began and announced that we were going to check out
13 and find another witness. Then we even named the two of
14 them. The two of them that we had scheduled the
15 deposition of were Mr. Dougherty and Mr. Jones. And we
16 took those depositions pursuant to that and that is the
17 reason that we want to enter them in. And it's no
18 surprise. And the deposition of Mr. Dougherty goes
19 straight down the line of every particular point that was
20 discussed in Mr. Kronenberger's deposition. And I don't
21 think it will be harmful in terms of acquainting with the
22 Commission in terms of giving it the weight that you want
23 with respect to this issue. And certainly we will be
24 complying with the intent of providing each with the
25 opportunity for a witness on this point.

1 CHAIRMAN DEASON: Staff?

2 MS. BROWN: Mr. Chairman, I have not seen this
3 deposition. There was a letter from Gulf Coast saying
4 that they were going to identify the deposition by Monday,
5 the 17th. I really have not much to say with respect to
6 whether you should admit this into the record because I
7 haven't even seen it. If you want to hold off on deciding
8 this question with respect to both of these depositions
9 for the moment so that we will have an opportunity to look
10 at it.

11 CHAIRMAN DEASON: Well, I am concerned about
12 testimony really, whether it's in the form of a deposition
13 or if it's in the form of sponsoring a witness, that it
14 being done at such a late time. The Commission has a
15 practice of prefiling testimony and that is for a very
16 specific circumstance, and I am very hesitant to deviate
17 from that. There has to be very extraordinary
18 circumstances. I also understand though that there was
19 some language -- I assume it was from the prehearing
20 order -- that was discussed at the prehearing conference
21 about giving some extra latitude in this area, and I am
22 simply going to defer to the prehearing officer because
23 she was aware of that situation, and perhaps you can give
24 guidance, Commissioner.

25 COMMISSIONER CLARK: Mr. Chairman, my

1 recollection was giving the opportunity for witnesses to
2 appear on this point. That doesn't mean I allowed the
3 opportunity for depositions to be put into the record.
4 They have to be agreed to by the parties. And as far as
5 Mr. Dougherty is concerned, he can be called as an adverse
6 witness. I would recommend at this point that the parties
7 get together at some break to work this out, because maybe
8 they can stipulate parts of Mr. Dougherty's deposition
9 into the record. It appears they don't have an objection
10 with respect to the deposition of the Department of
11 Corrections.

12 MR. HASWELL: Mr. Chairman, we can solve that.
13 We'll just withdraw our request for Mr. Dougherty.

14 COMMISSIONER CLARK: I didn't intend for the
15 wholesale introduction of depositions.

16 CHAIRMAN DEASON: Very well. Is there still
17 then a stipulation that the deposition of Mr. Kronenberger
18 can simply be inserted into the record and that it speaks
19 for itself?

20 MR. HASWELL: Yes, sir.

21 CHAIRMAN DEASON: Very well.

22 MR. STONE: Mr. Chairman, I assume that that
23 stipulation also provided the exhibit that
24 Mr. Kronenberger supplied subsequent to his deposition.

25 CHAIRMAN DEASON: I will inquire. Is that also a

1 part of the stipulation?

2 MR. HASWELL: We haven't seen the exhibit.

3 MR. STONE: We can remedy that problem.

4 CHAIRMAN DEASON: I'm sure Mr. Floyd and
5 Mr. Haswell will need some time to review that before
6 agreeing to whether it should be part of the stipulation.

7 MR. FLOYD: Incidentally, Mr. Chairman, I also
8 have the -- in these depositions to be signed by the
9 witness, and I have the original signature by
10 Mr. Kronenberger, and the errata sheet to be -- to go with
11 the original deposition.

12 CHAIRMAN DEASON: Do you have sufficient copies
13 of that -- you have the original. Do you have copies to
14 give to everyone?

15 MR. FLOYD: No, sir, I don't. I can make those
16 and distribute them, though.

17 CHAIRMAN DEASON: Very well.

18 MR. STONE: Mr. Chairman, I realize we're taking
19 an inordinate amount of time, but since there is no
20 identification on the handout I've just provided everyone,
21 if I could describe it so it is identified in the record.
22 It is an interoffice memorandum from the State of Florida,
23 Department of Corrections, dated May 21, 1993. It has at
24 the top of that page a fax which shows that it was being
25 faxed to my office, and at the far right-hand side of the

1 fax transmission, there's an indication No. 2. I believe
2 the first page of the fax was a cover sheet just
3 transmitting it. The document then is consecutively
4 numbered according to that fax from 2, 3, 4. Page 5 is
5 another interoffice memorandum dated May 17, 1993 and
6 behind it is Page 6. And the last page which was part of
7 what was submitted by the Department of Corrections is a
8 page that has turned into a landscape format. It has as
9 its top heading, "Washington C.I. Electric Rates," and it
10 has four columns. The first column is a description of
11 charges, and the other three columns are numbers by
12 company for various demand ranges.

13 CHAIRMAN DEASON: Do you wish to have this
14 identified as an exhibit at this time?

15 MR. STONE: It may make it helpful to do that,
16 Mr. Chairman.

17 CHAIRMAN DEASON: We will simply identify this
18 as Exhibit No. 1 simply for identification purposes.

19 MR. FLOYD: We do need to examine this closely.
20 I had spoken with Mr. Kronenberger yesterday, and that was
21 October 18th when I got this signature from him. He did
22 not have any additional exhibits, he advised, at that
23 time. So I would need to go back and find the source of
24 this.

25 CHAIRMAN DEASON: I understand the necessity of

1 doing that. We're going to identify this document as
2 Exhibit 1. As to whether it's going to be admissible or
3 not is an entirely different matter and we'll take that up
4 at an appropriate time.

5 MR. FLOYD: Thank you, sir.

6 MS. BROWN: Mr. Chairman, if I might stop and
7 ask the parties a question. It's my understanding that
8 there were two late-filed exhibits to that deposition. Am
9 I correct? Which is which here in this handout? I think
10 they should be identified as Exhibit 1 and Exhibit 2.

11 MR. STONE: I have to apologize. My
12 recollection was a little bit faulty. If there were two,
13 I believe it's all encompassing -- this was all submitted
14 to us as one package by Mr. Kronenberger. It had no
15 labeling, and I really had not gone back to compare it to
16 the transcript, other than I knew that he owed us this
17 rate comparison upon which he relied.

18 MS. BROWN: It's really not that important. I
19 just didn't -- I didn't want everyone to get mixed up as
20 we went along.

21 MR. STONE: It's my understanding that is
22 everything that Mr. Kronenberger provided to us subsequent
23 to the deposition.

24 MS. BROWN: So we can say this is composite
25 late-filed exhibit of Mr. Kronenberger's testimony,

1 Exhibit 1?

2 MR. STONE: That would be satisfactory.

3 (Exhibit No. 1 marked for identification.)

4 CHAIRMAN DEASON: Where is the deposition of
5 Mr. Kronenberger? Is that attached to the rebuttal
6 testimony of Mr. Klepper?

7 MR. STONE: It was identified. It had not been
8 transcribed at that point. But we're prepared to hand
9 that out now if that would be helpful.

10 CHAIRMAN DEASON: Let's do that.

11 MR. HASWELL: Mr. Chairman, we filed the
12 original and 15 copies of it yesterday with the clerk's
13 office. They may not have had a chance to --

14 CHAIRMAN DEASON: I don't think it's been
15 disseminated through the process.

16 MR. STONE: My error. It's already been handed
17 to the clerk's office for filing. So there must be 30
18 copies in the clerk's office.

19 CHAIRMAN DEASON: At an appropriate time let's
20 see if we can get some copies and distribute it.

21 We're still on preliminary matters.

22 MS. BROWN: We still are, yes. I think we've
23 taken care of everything but Gulf Coast's motion to strike
24 the additional rebuttal testimony of Mr. Klepper filed by
25 Gulf Power. Gulf Power filed a response to that motion

1 and a request for oral argument on the motion to strike.
2 However you would like to proceed on that. I would point
3 out that the testimony in question is rebuttal testimony.
4 If you would like to defer a ruling on that for the
5 moment, that would work as well.

6 CHAIRMAN DEASON: Let me ask this question: Is
7 there any necessity to rule on this at this time
8 considering that it is a rebuttal witness?

9 MR. HASWELL: We would prefer in terms of our
10 preparation, Mr. Chairman, to have a ruling from the Chair
11 at this time, so we know whether we're going to spend
12 another couple hours tonight preparing for this cross
13 examination of this witness.

14 CHAIRMAN DEASON: Very well. I understand
15 that. What we'll do is take a 15-minute recess, maybe
16 some of these preliminary matters we discussed earlier we
17 can go ahead and get the matters distributed, and anything
18 else that needs to be discussed, that we can take care of
19 all preliminary matters at one time, so when we start
20 hearing witnesses we can go forward expeditiously. We're
21 going to take a 15-minute recess.

22 (Recess)

23 CHAIRMAN DEASON: Call the hearing back to
24 order. Ms. Brown?

25 MS. BROWN: Mr. Chairman, we still have

1 outstanding Gulf Coast's motion to strike the additional
2 rebuttal testimony that Gulf Power filed. I have a
3 recommendation to give you on it if you would like.

4 CHAIRMAN DEASON: We do have a motion for oral
5 argument.

6 MS. BROWN: We have a motion for oral argument,
7 also.

8 CHAIRMAN DEASON: That motion was filed by Gulf
9 Power, I believe, is that correct?

10 MS. LILES: That's correct, Mr. Chairman.

11 CHAIRMAN DEASON: Do you have a response to the
12 motion for oral argument, Mr. Haswell?

13 MR. HASWELL: I would assume we would both want
14 to speak to the issue.

15 CHAIRMAN DEASON: Do you have a motion?

16 COMMISSIONER CLARK: I move we deny oral
17 argument. I don't feel the need for it, Mr. Chairman.

18 CHAIRMAN DEASON: All right. Motion for oral
19 argument is denied.

20 MS. BROWN: Would you like me to proceed with
21 the recommendation?

22 CHAIRMAN DEASON: Yes.

23 MS. BROWN: Mr. Chairman, though I question the
24 relevance of the rebuttal testimony filed by Mr. Klepper,
25 normally it would be my recommendation to you that your

1 usual policy in hearings before the Public Service
2 Commission is to be liberal in admitting evidence into the
3 record. You have then the discretion to give that
4 evidence the weight that you believe it deserves in your
5 deliberations when you make your decision.

6 However, in this particular case, there is a
7 specific procedural order that Commissioner Clark as
8 prehearing officer issued the end of September addressing
9 the nature and scope of the additional rebuttal testimony
10 that she permitted Gulf Power to file. And in that order
11 she specifically said that the additional rebuttal
12 testimony would be limited to the issue in the case: What
13 is the area in dispute? And no additional testimony
14 regarding the nature and purpose of rural electric
15 cooperatives would be necessary as there was no specific
16 issue identified for you all to decide.

17 In light of that order, and it's on Page 3,
18 Commissioner Clark said: "Gulf will have the opportunity
19 to file rebuttal testimony on the area of dispute only by
20 October 10th." My review of that testimony indicates to
21 me that it focuses completely on the nature and purpose of
22 rural electric cooperatives, the exact subject that
23 Commissioner Clark said there was no reason to file
24 additional testimony on. So under those circumstances, my
25 recommendation to you is that you grant the motion to

1 strike and strike the entire testimony of Mr. Klepper.

2 CHAIRMAN DEASON: Commissioner Clark, do you
3 have anything to add? This is basically your order which
4 is the basis for Staff's recommendation in this matter.

5 COMMISSIONER CLARK: Mr. Chairman, I would
6 recommend we go with Staff's recommendation on it. I
7 didn't see anything in the testimony that addressed the
8 issue that Gulf Power was given the opportunity to file
9 additional testimony on, and I believe the whole testimony
10 should be stricken.

11 CHAIRMAN DEASON: That would be the testimony,
12 all the exhibits of Mr. Klepper?

13 COMMISSIONER CLARK: That's correct.

14 CHAIRMAN DEASON: And that is the basis of the
15 motion to strike; is that correct? Okay.

16 If there's no objection, that would be the
17 ruling and the motion to strike is granted. All the
18 testimony of Mr. Klepper and the attached exhibits will be
19 stricken. That testimony will not be inserted into the
20 record in this proceeding.

21 I also understand, though, the parties have
22 stipulated the deposition of Mr. Kronenberger and I will
23 ask Mr. Haswell if you have had an opportunity to review
24 that exhibit to that deposition, or if you need additional
25 time before that matter is brought up.

1 MR. HASWELL: Mr. Chairman, Mr. Floyd will
2 handle that for us.

3 CHAIRMAN DEASON: Mr. Floyd?

4 MR. FLOYD: Thank you. Mr. Chairman, because of
5 the lack of familiarity with this document and the
6 uncertainty with respect to the source, we cannot
7 stipulate to it. And really, that is the only reference I
8 can make to it. We have not seen it before. I've looked
9 at it now, and it does appear to be some documentation
10 from the Department of Corrections. I don't know how it
11 ties into Mr. Kronenberger's deposition.

12 CHAIRMAN DEASON: Let me ask this. Was this
13 exhibit requested at the deposition?

14 MR. FLOYD: There was an exhibit that was
15 requested, Mr. Kronenberger's analysis of rate
16 comparisons. And what I just don't know if this is the
17 actual one, the final one, the first one, or what. That's
18 my uncertainty with respect to it, in addition to the
19 information I had already given you from him yesterday.

20 CHAIRMAN DEASON: So your basis of your
21 objection is that you cannot at this point verify that
22 this is the exhibit that was contemplated at the
23 deposition?

24 MR. FLOYD: Yes, sir.

25 CHAIRMAN DEASON: I'm going to give you the

1 opportunity to renew your objection after you've had an
2 opportunity to, I suppose, speak to Mr. Kronenberger and
3 determine the content of this exhibit and see if it is
4 in -- see if it was contemplated by the deposition, and
5 then I'll allow you to renew the objection. However, if
6 you cannot represent to me that you have spoken to
7 Mr. Kronenberger and he has told you that that exhibit is
8 either incorrect or he did not produce it, or that it was
9 not contemplated in the deposition, I'm going to allow the
10 exhibit into the record because it's part of the
11 deposition, it was sworn to, and you've already stipulated
12 that the deposition should be part of the record and it
13 would speak for itself.

14 So absent such a finding of that, that you can
15 represent to me, I'm putting you on notice as to what my
16 disposition is going to be.

17 MR. FLOYD: Yes, sir. Thank you.

18 MS. LILES: Mr. Chairman, if I could very
19 briefly get some clarification on your order on the Gulf
20 Coast's motion to strike. Will Gulf Power then have the
21 opportunity to object to any questioning or any testimony
22 offered by the Cooperative on the historical nature and
23 purpose of investor-owned utilities?

24 CHAIRMAN DEASON: Yes, you may. I think that's
25 contemplated in the prehearing order that you will have

1 the opportunity to object on the basis of relevance.

2 MS. LILES: I want to make that clear, and I
3 would also like to make a proffer of Mr. Klepper's
4 testimony for the record.

5 CHAIRMAN DEASON: We will allow you to do that,
6 and recognize that you are proffering that.

7 MS. LILES: Thank you.

8 MS. BROWN: Mr. Chairman, I think that concludes
9 all preliminary matters and we can proceed.

10 CHAIRMAN DEASON: Just so that I'm clear, the
11 only thing that I think that is still hanging out right
12 now is the exhibit which has been identified as Exhibit
13 No. 1, and Mr. Floyd will perhaps tomorrow let us know as
14 to exactly the situation with that exhibit. Very well.

15 MR. STONE: Mr. Chairman, along those lines, we
16 have been able to retrieve copies of Mr. Kronenberger's
17 deposition from the clerk's office. They have been handed
18 out to all parties and are on -- before you on the bench.
19 And we have also obtained copies of the original errata
20 sheet that Mr. Floyd provided, and those copies have also
21 been provided to you. It may make the record a little bit
22 more clear if we went ahead and identified Mr. Klepper's
23 deposition testimony as an exhibit, along with its errata
24 sheet -- I'm sorry, I meant to say Kronenberger. If I did
25 not, I apologize.

1 CHAIRMAN DEASON: Let's get clear exactly what
2 we're going to do with the deposition. Mr. Kronenberger's
3 deposition, it was my understanding that it was going to
4 be inserted into the record basically as if he were here
5 and those questions were asked to him and it will be
6 testimony in this case. If you prefer it being identified
7 as an exhibit, I suppose it can get into the record that
8 way, and I'm flexible on the matter, and whatever is the
9 best procedure of protocol, please inform me.

10 MR. STONE: It would seem to me, and I'm not
11 wedded to this, but it would seem to me since it is a
12 deposition, that it may make it easier in preparing the
13 record if an appeal becomes necessary, that it be an
14 exhibit. But that's -- I'm not strongly wedded to that,
15 I'm just sort of thinking out loud with you on that
16 subject.

17 CHAIRMAN DEASON: Mr. Floyd, do you have a
18 preference?

19 MR. FLOYD: Yes, sir, Mr. Chairman. We would
20 prefer that it be testimony, as it was intended to be.

21 CHAIRMAN DEASON: Ms. Brown, do you have a
22 preference?

23 MS. BROWN: We do not have a preference,
24 Mr. Chairman.

25 CHAIRMAN DEASON: Commissioner Clark, do you

1 have anything to add?

2 I'm going to allow the deposition as if this was
3 prefiled testimony. It will appear in the transcript in
4 the record as question and answer, and it will be inserted
5 into the record as we traditionally do prefiled
6 testimony.

7 There is a question about the exhibit. We will
8 deal with that at a later time.

9 MR. STONE: And the errata sheet would also be
10 inserted into the record?

11 CHAIRMAN DEASON: The corrections will be made
12 as contained in the errata sheet. Is that satisfactory to
13 everyone?

14 MR. FLOYD: Yes, that's fine.

15 CHAIRMAN DEASON: Very well.

16 (For the convenience of the record, the
17 Deposition of Ron Kronenberger is inserted at Page 34.)

18 MR. STONE: And as one last preliminary matter,
19 Mr. Chairman. It may be helpful to the Commission before
20 we started if the parties gave you a brief opening
21 statement, whatever the Commission's pleasure is.

22 CHAIRMAN DEASON: Were opening statements
23 contemplated, Ms. Brown?

24 MS. BROWN: They can be, if you choose.

25 CHAIRMAN DEASON: My only concern is is that if

1 both parties prepared, we'll do it. If one party objects,
2 we will not do it.

3 COMMISSIONER CLARK: I don't recall that coming
4 up. Did it? At the prehearing?

5 MS. BROWN: No, no.

6 CHAIRMAN DEASON: That's the reason I'm going
7 to -- if a party objects on the basis it was not
8 contemplated.

9 MS. BROWN: No, it was not contemplated, in the
10 prehearing order.

11 CHAIRMAN DEASON: I understand, Mr. Stone, you
12 probably are prepared since you're asking for the ability
13 to do that.

14 Mr. Haswell, do you have a preference, or do you
15 object?

16 MR. HASWELL: We would prefer saving ours for
17 the post-hearing brief.

18 CHAIRMAN DEASON: There is an objection to
19 opening statements, therefore we will not have opening
20 statements.

21 We may now proceed to witnesses, is that
22 correct, Ms. Brown?

23 MS. BROWN: That's correct.

24 CHAIRMAN DEASON: I'm going to ask all witnesses
25 who are present and in the room at this time who will be

1 testifying to please stand and raise your right hand.

2 (Witnesses collectively sworn)

3 CHAIRMAN DEASON: Thank you. Please be seated.

4 (Prefiled Deposition of Ron Kronenberger

5 inserted as follows:)

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 P R O C E E D I N G S

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 ^{Coast} ~~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 ^{Coast}~~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~~ ^{I do} 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 A I don't know the timing of the money, or the
2 loans, or the grants.

3 Q And it is correct, then, that the Department of
4 Corrections has approved Gulf Coast Electric Cooperative as
5 the power supplier for this particular facility?

6 A That's correct.

7 MR. FLOYD: I don't have any further questions.
8 Thank you for your assistance.

9 MR. CRESSE: I just have a couple of things on
10 redirect.

11 REDIRECT EXAMINATION

12 BY MR. CRESSE:

13 Q In terms of Gulf Power contacting you, you knew as
14 early as April 1993, did you not?

15 A I have not seen that letter. That was sent to the
16 project manager, and I wasn't aware of that letter until I
17 went through the files recently in regards to this
18 deposition.

19 Q But in response to your question --

20 A I knew that we are getting rates and that we had
21 talked with Gulf Power about rates and their utility rates,
22 yes, sir. As I say, I wasn't aware of that particular
23 letter, or the initial time or the initial contact that was
24 made to Gulf Power to ask for their rate structure.

25 Q So at the time you made your decision, you did not

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.)
16
17
18
19
20
21
22
23
24
25

1 MR. STONE: Mr. Chairman, Gulf Power calls the
2 first witness, Mr. W. C. Weintritt, who has already taken
3 the stand.

4 WILLIAM CHARLES WEINTRITT
5 was called as a witness on behalf of Gulf Power Company,
6 and having been duly sworn, testified as follows:

7 DIRECT EXAMINATION

8 BY MR. STONE:

9 Q Would you please identify yourself for the
10 record?

11 A William Charles Weintritt.

12 Q Are you the same William Charles, W. C., Weintritt
13 who prefiled direct testimony in this proceeding dated May
14 10, 1994?

15 A Yes, I am.

16 Q Do you have any changes or corrections to your
17 prefiled direct testimony consisting of 12 numbered pages?

18 A I do not.

19 Q If I were to ask you the questions contained in
20 your prefiled direct testimony, would your responses be
21 the same?

22 A They would.

23 MR. STONE: We would ask Mr. Weintritt's direct
24 testimony be inserted into the record as though read.

25 CHAIRMAN DEASON: Without objection, it will be

1 so inserted.

2 Q (By Mr. Stone) Mr. Weintritt, did you have any
3 exhibits to your prefiled direct testimony? Do you have
4 an exhibit to your prefiled direct testimony?

5 A The exhibit is attached to it, yes.

6 Q And we would ask Mr. Weintritt's Exhibit WCW-1
7 consisting of five pages be marked for identification.

8 CHAIRMAN DEASON: That will be identified as
9 composite Exhibit No. 2.

10 (Exhibit No. 2 received into evidence.)

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Gulf Power Company

Before the Florida Public Service Commission
Direct Testimony of
W. C. Weintritt
Docket No. 930885-EU

Date of Filing: May 10, 1994

Q. What is your name?

A. William C. Weintritt.

Q. What is your address?

A. My business address is 1230 East 15th Street, Panama
City, Florida, 32402.

Q. What is your area of responsibility?

A. I am the Power Delivery Manager for the Panama City
District of Gulf Power Company. I am responsible for the
planning, engineering design, construction and
maintenance of Gulf Power's distribution systems within
Bay, Calhoun, Holmes, Jackson and Washington Counties. I
am also responsible for transmission system maintenance
within these counties.

Q. Do you have an exhibit that contains information to which
you will refer in your testimony?

1 A. Yes, I have. My exhibit consists of one schedule, which
2 is a business record maintained under my supervision and
3 direction.

4 Counsel: We ask that Mr. Weintritt's Exhibit consisting
5 of one schedule be marked as Exhibit No. 2
6 (WCW-1).

7
8 Q. What is the purpose of your testimony?

9 A. I will present facts to support the Company's request
10 that the Florida Public Service Commission ["Commission"]
11 award Gulf Power the right to provide electric service to
12 the area in dispute. Specifically, my testimony will
13 demonstrate that Gulf Power has adequate facilities in
14 place to provide reliable electric service to the
15 disputed area at a lower cost, both to the Company and to
16 the customer, than that of Gulf Coast Electrical
17 Cooperative, Inc. ["the Coop"]. In fact, in order to be
18 able to provide the disputed area with electric service,
19 the Coop has already unnecessarily and uneconomically
20 duplicated Gulf Power's existing facilities.

21
22 Q. What is the area in dispute in this docket?

23 A. The disputed area is the site of the new Washington
24 Correctional Institute near the intersection of State
25 Highways 77 and 279 in Washington County.

1 Q. Why is there a dispute regarding which utility should
2 provide electric service to the new Washington
3 Correctional Institute?

4 A. From Gulf Power's perspective this dispute developed
5 because, in order for the Coop to serve the new prison,
6 it had to construct new three phase electric distribution
7 facilities along Highway 279 to reach a point adjacent to
8 the prison's required point of service. The Coop's newly
9 constructed facilities extend from Highway 77 and are
10 parallel to (and across Highway 279 from) Gulf Power's
11 existing three phase facilities which have been in place
12 since 1971. Gulf's lines are both adjacent to the prison
13 and on the same side of the highway as the prison. Gulf
14 is more capable of providing reliable electric service to
15 the prison, at a lower cost, than is the Coop. Gulf
16 believes strongly that it is therefore in the public
17 interest that Gulf Power and not the Coop should be the
18 service provider for the prison site.

19

20 Q. Why is the "disputed area" limited to the parcel of land
21 on which the Department of Corrections is constructing a
22 new correctional facility in Washington County?

23 A. Because the only active controversy between the two
24 utilities involves this specific area. In fact, until
25 Gulf filed its complaint in this docket, it had been

1 nearly nine years since the last time either utility had
2 initiated litigation to resolve a territorial dispute
3 against the other. This is a strong indication that the
4 guidance the Commission has provided in resolving past
5 disputes has generally enabled both utilities to properly
6 extend electric service to new customers based on which
7 utility can provide the service at the least cost, while
8 satisfying the legislative directive to avoid the
9 uneconomic duplication of facilities as provided in the
10 statute granting the Commission jurisdiction over
11 territorial disputes.

12 Over the past 23 years there have been only six
13 litigated territorial disputes between Gulf Power and the
14 Coop, including this case. To put this history in proper
15 perspective, it is important to note the timing of the
16 various disputes. The first case between these two
17 utilities was initiated by the Coop in March, 1971. More
18 than ten years passed before the second dispute was
19 filed, again by the Coop, in April, 1981. The next three
20 disputes between Gulf and the Coop were filed by one
21 party or the other between March, 1983 and March, 1985, a
22 period of 24 months. As I pointed out earlier, the
23 current dispute is before the Commission nearly nine
24 years after the last previous dispute was initiated by
25 the Coop in March, 1985.

1 Gulf Power believes that the infrequency of the
2 disputes between these utilities demonstrates that the
3 current system used to allocate service territory works
4 well. As a result, it would be inappropriate to enlarge
5 the definition of the "disputed area" beyond the specific
6 territory actually in dispute between the parties; that
7 is, the land area that can be served from the new three
8 phase electric facilities that the Coop has recently
9 constructed along Highway 279 from the intersection with
10 Highway 77.

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Q. Has Gulf Power previously provided electric service within Washington County?

A. Yes. Gulf Power first began providing electric service in Washington County in 1926, when the City of Chipley, the county seat for Washington County, awarded Gulf a franchise to serve in that area. Since that early beginning, Gulf Power has conducted an orderly and planned expansion of service to accommodate our customers throughout the County. In fact, prior to 1981, when the Coop terminated their wholesale service from Gulf, all electrical power in South Washington County was provided by Gulf Power either at the retail or wholesale level.

1 Q. Are you familiar with Gulf Power Company's transmission
2 and distribution facilities in that area?

3 A. Yes. I have been the Manager of Engineering and the
4 present Manager of Operations with responsibility for
5 Washington County since 1978. Gulf Power now has 69
6 miles of high voltage transmission line, 390 miles of
7 distribution line, and 5 substations in Washington
8 County.

9
10 Q. Does Gulf Power have facilities in place which would be
11 adequate to provide electric service to the correctional
12 facility?

13 A. Absolutely. Gulf Power has three-phase, 25 kv lines
14 bordering the prison site on two sides. These lines,
15 which are immediately adjacent to the prison, have been
16 in place for years before the prison was sited. Gulf
17 Power would not have to extend any new lines in order to
18 provide the prison with electric service.

19
20 Q. Please describe Gulf Power's facilities located in the
21 disputed area as to rating, capacity, present load and
22 reserve capacity.

23 A. Gulf's facilities consist of 25 kv distribution lines
24 which may be fed from either the Vernon or the Sunny
25 Hills substations. The normal rating of the Vernon

1 transformer is 11,550 kva. Its present peak load is
2 2,870 kva, leaving a reserve capacity of 8,680 kva. The
3 Sunny Hills transformer is rated 24,640 kva, with a
4 present peak load of 2,263 kva. The reserve capacity at
5 Sunny Hills is 22,377. The distribution line rating is
6 11,644 kva. If all the load were fed from either
7 substation, the maximum load would be 5,133 kva. Even if
8 all load were served only from the Vernon substation,
9 therefore, there would still be at least 6,417 kva in
10 substation reserve capacity and over 6,500 kva in line
11 reserve capacity. This reserve did not just happen. It
12 is the result of carefully prepared load projections and
13 well-executed growth plans. It is this prudent planning
14 that will allow Gulf Power to provide not just one, but
15 two reliable sources of electric power to the Washington
16 Correctional Institute site.

17

18 Q. Are you familiar with the transmission and distribution
19 facilities owned and/or operated by the Coop in the
20 vicinity of the disputed area?

21 A. Yes, I am, in general. The Cooperative operates a radial
22 distribution line from a substation located in northern
23 Bay County. The Coop's existing three-phase line runs
24 along the east side of Highway 77 to the Sunny Hills area
25 across the highway from Gulf's three phase line. Prior

1 to the construction last year giving rise to this
2 dispute, the Coop had no facilities in place which would
3 allow it to reach the point of service to the prison site
4 with the three phase service required by the Department
5 of Corrections.

6

7 Q. Why is Gulf Power more capable of providing reliable
8 electric service than is the Cooperative?

9 A. Very simply, because Gulf Power's existing three phase
10 line can be supplied from either end. In the event of
11 major damage, Gulf could switch the load, either
12 partially or in total, between the Vernon and Sunny Hills
13 substations in lieu of more time-consuming repair, and
14 reduce the duration of the customers' outage. In
15 contrast, the Coop only has a radially fed line. If
16 damage should occur between the Coop's single substation
17 and the point of service to the prison, the Coop would
18 have no choice other than to repair the line, no matter
19 how long the repair may take.

20

21 Q. What additional facilities did the Coop have to construct
22 to provide three phase electrical service to the new
23 correctional facility?

24 A. The Coop built a new three-phase line across Highway 77
25 (therefore crossing Gulf's existing lines), and ran it

1 parallel to Gulf Power's existing line for approximately
2 4,000 feet along the opposite side of Highway 279 from
3 Gulf's existing line. The Coop actually built new three
4 phase facilities for some distance down Highway 279
5 beyond the point necessary to reach the Department of
6 Corrections' point of service. The Coop then crossed
7 Gulf Power again in order to reach the service point to
8 the prison property.

9
10 Q. Did this construction result in duplication of Gulf
11 Power's existing facilities?

12 A. Yes. The Coop's line crosses Gulf Power's line twice and
13 runs parallel to Gulf's existing lines for approximately
14 1,600 feet to the prison site. The conductor used by the
15 Coop is much larger than needed to serve their existing
16 load even with the prison added. It is obvious that the
17 Coop is attempting to position themselves to extend
18 further along Highway 279. In contrast, as I have
19 testified, Gulf Power already has an existing three-phase
20 line adequate to serve this area for the foreseeable
21 future; moreover, unlike the Coop, Gulf has dual feed
22 capability to the site due to the prison's nearly
23 equidistant location from either Gulf Power's Sunny Hills
24 or Vernon substations.

25

1 Q. What additional cost would Gulf Power incur if it were to
2 provide service to the correctional institute?

3

4 A. Gulf's additional costs would be nominal, as the Company
5 would only have to tap its existing line for a "service
6 drop" onto the prison site. Gulf Power would not have to
7 construct the large capacity extension as did the Coop.
8 While Gulf's discovery requests to the Coop are still
9 pending and Gulf does not therefore have specific
10 information concerning the cost of the Coop's required
11 construction, it is clearly far in excess of that which
12 Gulf Power would have incurred in serving the site.

13

14 Q. As between Gulf Power and the Coop, has the Company
15 performed a comparison of the rates that would be charged
16 to the Department of Corrections for electric service to
17 the site?

18 A. Yes. While I did not perform this calculation, I have
19 reviewed the documents that were prepared and submitted
20 to the Department of Corrections when Gulf Power proposed
21 to provide service to the site. This comparison, which
22 is attached as Schedule 1 to my Exhibit, indicated that
23 the FDOC would pay at least \$20,000 more per year to the
24 Coop than if Gulf Power is awarded the right to serve the
25 site.

1 Q. How do you explain the fact that the customer selected
2 the Coop as the electric service provider, since you have
3 stated that Gulf Power could provide the service at a
4 lower initial cost to the Company and at lower rates to
5 the customer?

6 A. First, I want to emphasize that it is our understanding
7 that the actual customer (and ratepayer), the Florida
8 Department of Corrections, did not make this decision,
9 but deferred the choice to the Washington County Board of
10 County Commissioners. Even considering that the County
11 is not itself liable for paying for the electric service,
12 it is difficult to justify this decision. It is,
13 however, my understanding that the Coop provided the
14 County with a \$45,000 grant in connection with the
15 purchase of the land on which the prison is to be
16 located.

17
18 Q. In your opinion, what factors should influence the
19 Florida Public Service Commission's determination as to
20 which utility should serve the Washington Correctional
21 Facility?

22 A. The Commission should consider the cost to each utility,
23 the cost to the customer -- here, the Department of
24 Corrections, which will pay for the electric service with
25 taxpayers' money -- the duplication of existing

1 facilities and the relative reliability of each supplier.

2

3

4 Q. Why shouldn't the customer's choice of competing electric
5 service providers control the outcome of this case?

6 A. First, as I have previously stated, the customer (the
7 Department of Corrections) did not select the service
8 provider in this case. Second, the Commission's rules on
9 this issue clearly indicate that customer choice should
10 be considered only if all other factors are equal. In
11 this case, the other factors -- lower construction cost,
12 lower cost to the ratepayer, avoidance of unnecessary
13 duplication of facilities and superior ability to serve -
14 - should all weigh overwhelmingly in favor of Gulf Power.

15

16

17 Q. Does this conclude your testimony?

18 A. Yes.

1 Q (By Mr. Stone) Mr. Weintritt, I understand
2 you're prepared to give a summary. Do you have any visual
3 aids that will assist you in presenting your summary of
4 your testimony to the Commission?

5 A I have, yes.

6 Q Mr. Chairman, at your pleasure we have some
7 charts that Mr. Weintritt will be referring to in the
8 course of his summary. We also have smaller copies of the
9 same charts for everyone to have in front of them. If you
10 would like for us to distribute those at this time, we
11 would be happy to do that.

12 CHAIRMAN DEASON: Please distribute those and
13 distribute them to all parties, please.

14 MR. HASWELL: I would ask a question of counsel,
15 if these visual aids are large or blowups of his exhibits
16 attached to his prefiled testimony, or are these new
17 exhibits?

18 MR. STONE: These are visual aids that are
19 intended to help focus where the matter in dispute is
20 located. They are simply demonstrative aids to assist in
21 him presenting his testimony and summary to the
22 Commission. They are not being offered as an exhibit. We
23 have no objection to them being an exhibit, but they are
24 intended to be visual aids to assist him in presenting his
25 testimony to the Commission.

1 CHAIRMAN DEASON: Do you have an objection,
2 Mr. Haswell?

3 MR. HASWELL: I have to see them, first, sir.

4 CHAIRMAN DEASON: Share those with Mr. Haswell
5 before you give them to the Commissioners, and if
6 Mr. Haswell has an objection, then we'll entertain that
7 objection.

8 MS. BROWN: Mr. Chairman, could I see one also?

9 CHAIRMAN DEASON: Yes, you certainly may.

10 (Pause)

11 MR. STONE: Mr. Chairman, while that's being
12 handed out, apparently I've suffered a mental lapse. Did
13 I ask Mr. Weintritt's exhibit to be assigned an exhibit
14 number?

15 CHAIRMAN DEASON: Yes, Exhibit No. 2.

16 MR. STONE: Thank you. I apologize.

17 MR. HASWELL: Mr. Chairman, I have no objection
18 to these as visual aids. We've also developed a bunch of
19 exhibits ourselves, maps that actually may be more
20 accurate than these, but for purposes of visual aids we
21 don't have a problem.

22 CHAIRMAN DEASON: Very well, please proceed.
23 You may distribute those to the commissioners.

24 Q (By Mr. Stone) Mr. Weintritt, would you please
25 summarize your testimony?

1 A Chairman Deason, Commissioner Clark,
2 Commissioner Johnson, good morning. My name is Bill
3 Weintritt. I am the power delivery manager for the Panama
4 City and Chipley districts of Gulf Power Corporation. I
5 have worked in that geographic area and general job
6 capacity for over 16 years. My responsibilities include
7 the orderly expansion and proper operation and maintenance
8 of Gulf Power's distribution facilities within Bay,
9 Calhoun, Holmes, Jackson and Washington Counties. In
10 addition, I am responsible for maintaining Gulf's
11 transmission lines and substations in that area.

12 The dispute that you will resolve arises from
13 the simple fact that Gulf Coast Electric Cooperative
14 committed an unnecessary and uneconomical duplication of
15 Gulf Power's existing facilities. Specifically, the facts
16 demonstrate that the Cooperative built new lines parallel
17 to and across Gulf Power's existing lines in order to
18 serve the prison. Gulf's existing lines, which had been
19 in place more than 22 years, are adequate to serve the new
20 Washington Correctional Institute without crossing the
21 Cooperative's lines with duplicate facilities.

22 Excuse me a minute while I get up to the
23 visuals.

24 The road map that you were given depicts the
25 general location, just to place it in the state of

1 Florida. The site is at the intersection of Highway 77
2 and Highway 279 in Washington County. It occupies several
3 hundred acres. This first map depicts the site boundary,
4 Highway 279 and Highway 77 and some of the general
5 geography of that area.

6 There is no useful purpose served by expanding
7 the disputed area beyond this site for several reasons.
8 One is that this site is the only act of controversy
9 between the Cooperative and Gulf Power. Another is that
10 both utilities have added customers recently in this area,
11 yet no disputes arose. In fact, it's been nine years
12 since the Commission has been asked to resolve a dispute
13 of this nature. This clearly indicates that both
14 utilities have used the Commission's previous guidance to
15 extend service in this area without uneconomic
16 duplication.

17 However, in this instance, the Cooperative
18 erected 8/10ths of a mile of line parallel to and across
19 the highway from an existing Gulf Power three-phase line,
20 then crossed Gulf's line to the Washington Correctional
21 Institute service points.

22 This map depicts the three-phase lines Gulf
23 Power had in the area in blue. This is Map No. 2.
24 There's a three-phase circuit along Highway 279 connected
25 to the Vernon substation, past the intersection from the

1 direction of Chipley along Highway 77 connected to Gulf's
2 Sunny Hills substation. They may be fed from either
3 direction.

4 The Cooperative had only a single-phase line,
5 which is inadequate to serve the prison's load, along a
6 dirt lane and a line along Highway 77. This is fed from
7 AEC substation in Bay County.

8 The Cooperative constructed --

9 CHAIRMAN DEASON: Let me ask a question. Excuse
10 me, let me ask a question. You say it's fed from a
11 substation in Bay County. What is it connected to to the
12 north?

13 WITNESS WEINTRITT: It dead ends to the north,
14 the line along Highway 77 does.

15 CHAIRMAN DEASON: Thank you.

16 WITNESS WEINTRITT: It's radial. The
17 Cooperative constructed 4,000 feet of new line across the
18 highway from Gulf Power's existing lines. None of this
19 line would be necessary if the prison were served by Gulf
20 Power. The only Cooperative load beyond the prison in the
21 Highway 279 area is single phase, and it could be fed from
22 a different direction. This new three-phase line is both
23 unnecessary and uneconomical.

24 Are there any other questions at this time about
25 the chart?

1 CHAIRMAN DEASON: I don't think so.

2 WITNESS WEINTRITT: Much ado may be made about
3 base rates, fuel adjustments, purchased power adjustments,
4 et cetera, but the basic fact is that the rate comparison
5 requested by the Department of Corrections showed that the
6 DOC would have paid over \$20,000 per year more for
7 Cooperative service than for Gulf Power.

8 While none of us can predict the future with
9 absolute certainty, it is difficult to imagine the
10 circumstances which would eliminate this gap. This rate
11 disparity has existed for years, and it is unlikely to
12 vanish in the foreseeable future. In conclusion, it is
13 obvious that the factors of lower construction cost, lower
14 cost to the ratepayer, avoidance of unnecessary
15 duplication, and superior reliability all weigh in favor
16 of Gulf Power.

17 Q (By Mr. Stone) Mr. Weintritt, does that
18 conclude your summary?

19 A It does.

20 MR. STONE: We tender Mr. Weintritt for cross
21 examination.

22 CROSS EXAMINATION

23 BY MR. HASWELL:

24 Q Good morning, Mr. Weintritt.

25 A Good morning.

1 Q So you've been with Gulf Power for over 21
2 years?

3 A That's correct.

4 Q And you are responsible for the distribution
5 system in Washington County?

6 A I am.

7 Q And that includes the building and operating of
8 it for over the last eight years?

9 A Over how long, sir?

10 Q Last eight years.

11 A Yes.

12 Q And the engineering and designing of it for
13 seven years prior to that?

14 A In a supervisory capacity, that's correct.

15 Q And it's your position that Gulf Power first
16 provided service to the area around 279 and 77 as shown on
17 your diagram there in 1971?

18 A That's the year when our facilities were built
19 in that area.

20 Q At the time that the facilities of Gulf Power
21 were built in 1971, were there any facilities of Gulf
22 Coast in the area?

23 A I wasn't present at that time.

24 Q Well, do you know now?

25 A Documents indicate, other testimony indicates

1 there were Gulf Coast facilities in that area.

2 Q Well, let's take a look at your Map No. 3 that
3 you just showed to the Commission. The red line that you
4 show as Gulf Coast's line coming down from Vernon on 279
5 and then crossing to the Red Sapp Road over to 77, was
6 that facility there prior to the construction of your
7 facilities on 279?

8 A I don't have firsthand knowledge of that.

9 Q It might have been there?

10 A It might have.

11 Q And if it was, then your facility crossed over
12 it right there where Red Sapp Road comes out to 279?

13 A Yes.

14 Q In fact, do you know how many times your
15 facility from Vernon down Highway 279 crosses the
16 Cooperative's facilities on 279 when it was originally
17 constructed in 1971?

18 A I don't know that number, no, sir.

19 Q And the purpose of that line that you show in
20 blue, I believe on all your maps here, excuse me, on
21 Maps No. -- well starting with Map No. 2. That was
22 originally designed to provide service to Sunny Hills;
23 isn't that correct?

24 A Sunny Hills was an early customer connected to
25 that line, same load in Sunny Hills.

1 COMMISSIONER CLARK: I'm sorry, which line, on
2 Highway 77 or 279?

3 Q (By Mr. Haswell) The line coming down 279 and
4 then going back up 77. That was to provide service to
5 Sunny Hills; is that correct?

6 A Sunny Hills was one of the initial hookups. But
7 many other services have been connected to it.

8 Q Let me ask you this: The day that that line was
9 constructed in 1971 down 279 to Highway 77 and up to Sunny
10 Hills, the day it was finished it was providing service to
11 Sunny Hills and nobody else, to your knowledge?

12 A I wasn't there. I don't have any knowledge of
13 the day.

14 Q Now as of today, you are aware that there are
15 facilities -- or excuse me, prior to the construction of
16 any of the facilities that Gulf Power complains about in
17 this proceeding, were you aware of any facilities of the
18 Cooperative on 279?

19 A Sometimes along it, sometimes not. In that area
20 there was a single-phase line, yes.

21 Q But the line that you show even on your Map No.
22 4 -- I have a hard time seeing through Mr. Cresse. Well,
23 let's go to Map No. 3. The line that you show on Map No.
24 3 as the Co-op's; doesn't that run right along Highway
25 279?

1 A This map is not to a careful scale. It's not a
2 survey drawing. It's a graphic visual aid. To my
3 knowledge, some of that line is along the highway; some is
4 off the right of way.

5 Q Would that be true for some of your facilities?

6 A Our three-phase line is on the right of way of
7 Highway 279. There are laterals off it on to private
8 property to provide service.

9 Q I don't mean to be picky, but you mean you
10 accurately described yours, but you inaccurately described
11 the Cooperative's?

12 A In the area on the visual aid looking at Map No.
13 3, northwest of the institute, near the identification of
14 Highway 279, where it shows the Cooperative single-phase
15 line east of Gulf Power's three-phase line, our line is on
16 the right of way. That would indicate that Cooperative
17 line is not on the right of way there. It may not be
18 far. I don't remember exactly. But it does indicate that
19 it's present and that's what this is intended to do.

20 Q Do you know whether the Cooperative's lines,
21 referring to that same Map No. 3, dead end there where
22 you've indicated, looks like a U shaped line, or whether
23 they loop around and come back down Highway 77?

24 A They do not dead end there; they extend north.

25 Q I thought you earlier told the commissioners it

1 did dead end.

2 A Excuse me, I thought we were talking about
3 Highway 279. At this time -- earlier I told the
4 commissioners the three-phase line on Highway 77 dead
5 ended on the north.

6 Q That's on the way to Wausau?

7 A Toward Wausau, yes.

8 Q Now until recently your Vernon substation was at
9 12.5 kV; is that correct?

10 A That's correct.

11 Q And the line from Vernon to Moss Hill was 12.5;
12 is that correct?

13 A That's correct.

14 Q I'm looking -- basically I'm referring to your
15 exhibit -- I believe it's -- Mr. Chairman, did we identify
16 all of Mr. Weintritt's exhibit just as Exhibit No. 2?

17 CHAIRMAN DEASON: Yes, Composite Exhibit No. 2.

18 Q (By Mr. Haswell) Composite Exhibit 2, I think
19 it shows that Schedule 1, Page 4 of 5. Anyway, you said
20 the Vernon substation was at 12 and a half kV, the line
21 from Vernon to Moss Hill was 12 and a half. And from what
22 -- and from the point -- excuse me, from that point, and
23 at Moss Hill. Where would Moss Hill be with your diagram,
24 Schedule 1, Page 4 of 5. Is that Y227?

25 A It's to the left of Y227. There's another

1 circle. On my Xerox you can't read it. There's a W in
2 that circle. That's the Moss Hill site.

3 Q So that's approximately where it is, Y227?

4 A That's close, yes.

5 Q And from that point -- or excuse me, prior to
6 any recent changes on that line, was there an auto
7 transformer there?

8 A There was.

9 Q So that stepped up your voltage out of the
10 Vernon substation from 12 and a half to 25?

11 A It did that and it could step the voltage from
12 Sunny Hills from 25 to 12 to tie the two together.

13 Q And then that 25 kV section then continued on
14 down 279 and then up 77 to Sunny Hills?

15 A That's correct.

16 Q Now your diagram also shows on Map No. 3, a
17 switch on 279. That obviously means that's an open
18 circuit?

19 A It may be open. It may be closed, but it's a
20 switch point, yes.

21 Q I'm not an engineer, but does that mean that at
22 no -- that the two substations themselves are never
23 physically connected, one is either serving one way or
24 there's an open switch and one is serving from the other
25 way, or how does that work?

1 A We physically connect them, parallel them,
2 periodically, when we're moving load or when we're
3 isolating a section of line for maintenance, and either
4 run to the normal open point or re-establish a new one.

5 Q Is that a manual switch there?

6 A It is.

7 Q And of course since it's a manual that means it
8 cannot be operated or activated automatically from a
9 dispatch center or some other place?

10 A No, that switch cannot.

11 Q You indicated in your direct testimony that
12 there have only been six litigated disputes. To your
13 knowledge, have there been other disputes that weren't
14 litigated?

15 A There have been a couple of other situations
16 where either utility could provide service and -- that
17 were not brought to the Commission, yes.

18 Q And in your direct testimony and in your summary
19 you refer to a current system or the guidance of the
20 Commission in resolving disputes, but isn't it true that
21 there really is no system, that the system you referred
22 to, there really isn't any system?

23 A I'm not sure what you refer to as system, but we
24 have, both utilities, connected customers in this area
25 without a dispute arising from it.

1 Q All right, let me just back up a minute. Do you
2 recall when we took your deposition?

3 A Yes.

4 Q Since I may be referring to it, commissioners, I
5 have filed the original of the deposition of Mr. Weintritt
6 and I believe all the parties have a copy of the
7 deposition, except the commissioners. And I would call
8 your attention to -- do you have a copy of your
9 deposition, Mr. Weintritt?

10 A I believe I do.

11 MR. HASWELL: And Mr. Stone, just for your
12 reference I'm going to be referring to Page 17, Line 23.

13 Q (By Mr. Haswell) And Mr. Weintritt, I had asked
14 you the question: "On page 5 of your testimony you refer
15 to the current system used to allocate service territory.
16 What is the current system used to allocate service
17 territory?" Do you remember that question?

18 A I do.

19 Q And your answer was "A natural progression that
20 has worked at least in hundreds of cases well enough that
21 neither utility chose to dispute it of a combination of
22 what's to be served, where it is, who is closer. There is
23 no system written down like a procedure." Do you remember
24 saying that?

25 A I do.

1 Q Now in Washington County you indicated there may
2 be as many as 20 crossings of these two utilities?

3 A There might be.

4 Q Do you remember telling me that before?

5 A I don't recall telling you 20, but --

6 Q If you look at Page 19, Line 15 of your
7 deposition, do you recall saying, "Maybe 20, in that
8 range"?

9 A Yes.

10 Q And this of course is a rural area that you've
11 shown up here on your exhibits?

12 A Yes.

13 Q In other words every one of your maps, 1 through
14 4, everything within the green circle is a rural area?

15 A The prison site might not be, but prior to the
16 prison, yes, it's a rural area.

17 Q Now, referring to Page 5, generally, of your
18 direct testimony, about when you first began providing
19 service to Gulf -- to Washington County, isn't it true
20 that Gulf Power has not provided distribution service to
21 everybody in Washington County?

22 A We have not provided distribution service, no.

23 Q And isn't it also true that you don't know why
24 you're not serving all the customers in Washington County?

25 A No, I don't have the answer to that.

1 Q So you don't know? In other words, you don't
2 know?

3 A Why we're not serving all customers in
4 Washington County?

5 Q Right.

6 A No, I don't know why we are not.

7 Q And it's also true that you don't know why
8 Alabama Electric Cooperative became Gulf Coast's wholesale
9 supplier?

10 MR. STONE: Mr. Haswell, could you tell me where
11 the issue of wholesale supplier comes up in
12 Mr. Weintritt's direct testimony?

13 MR. HASWELL: Sure, look at Page 5, Line 21, 20
14 and 21, "In fact, prior to 1981, when the Co-op terminated
15 their wholesale service from Gulf..."

16 MR. STONE: Thank you.

17 Q (By Mr. Haswell) The question is: You don't
18 know why Alabama Electric Cooperative became Gulf Coast's
19 wholesale supplier; is that correct?

20 A I know that Gulf Coast terminated their
21 agreement with us.

22 Q But you don't know why that occurred?

23 A Why they did it? There was some
24 documentation -- I don't have any of it with me -- that I
25 saw years ago about alleged service reliability.

1 Q Alleged service reliability?

2 A That was on Gulf Coast's part.

3 Q Gulf Coast was complaining about Gulf Power's
4 service reliability?

5 A That was their allegation, as I recall.

6 Q You have -- in response to some of the Staff
7 interrogatories and Cooperative interrogatories, you
8 furnished some data regarding the upgrading of the Vernon
9 substation. Do you know when that -- maybe I'm getting
10 ahead of myself. The Vernon substation has been converted
11 from 12 and a half to 25 kV, kVA; is that correct?

12 A KV. It has.

13 Q Bear with me if I get my kVs and kWs mixed up.
14 What was the date of the change of the Vernon substation?

15 A I don't remember the exact date. I believe the
16 new 25 kV transformer was energized in May of 1993.

17 Q And when were the dates that the lines -- of the
18 line conversion or the reinstallation from 12.5 kV to 25
19 kV down to Moss Hill?

20 A The entire project took over three years to
21 complete. Vernon substation serves nearly 200 miles of
22 line. That portion down to Moss Hill substation was
23 worked in 1992.

24 Q In your answers to Staff interrogatories -- do
25 you want to take a look at those first? This would be

1 Staff's second interrogatories, answer 9d.

2 A Is this the first set, Mr. Haswell?

3 Q Second. (Pause)

4 In 9d, wasn't your answer to that question, your
5 company's answer, that during the second half of 1993, the
6 lines from State Road 79 to the Moss Hill auto transformer
7 were converted?

8 A That's what it says. 1993 is incorrect. I
9 assume it's a typo that wasn't caught when it was
10 submitted.

11 Q So this is a typo in the -- in your answers to
12 Staff interrogatories? This was -- Commissioners, this
13 would be Item 9, Page 1 of 1.

14 A During my interrogatory we discussed that very
15 work order. I believe I made a copy of it for you. It
16 occurred in 1992. I remember that clearly.

17 Q Let me ask you this. If you look at Page 26 of
18 your deposition, Line 11, I asked you: "Your answer to
19 staff was, during the second half of '93, the lines from
20 State Road 79 to the Moss Hill auto transformer were
21 converted from 12 kV to 25 kV."

22 And you answered, "Yes, that's what it says."

23 And I said, "And that's compatible with what you
24 just told me?"

25 And you said, "Yes, it is."

1 And I said, "So this is a correct answer?"

2 And you said, "I believe it to be." And now
3 you're telling me it's not?

4 A That's correct.

5 Q When was the date that the auto transformer was
6 removed on that line?

7 A I don't know that exact date either. It would
8 have been after this conversion. I believe it was in
9 early 1993.

10 Q And once you took out the auto transformer, then
11 you installed some regulators?

12 A We did.

13 Q And do you remember when those regulators were
14 installed?

15 A Early 1994, I believe.

16 Q Now in your direct testimony on Page 6, Lines 17
17 to 18, you indicated that Gulf Power would not have to
18 extend any new lines in order to provide service to the
19 prison. Is that correct?

20 A That's correct.

21 Q I'm sorry, you don't have to -- that's what it
22 says. But since your testimony was filed, do you now
23 agree that Gulf Power would in fact build new lines to
24 comply with the same requirements that the Department of
25 Corrections submitted to Gulf Coast?

1 A We would not extend any new lines other than
2 those on the property of the Department of Corrections
3 since we are already adjacent to their property and their
4 service point.

5 Q But in your testimony it said you wouldn't have
6 to extend any new lines to provide service to the prison.
7 I understand your position that you had lines adjacent to,
8 but actually to serve the prison you would have to
9 construct lines into the property, to a point of service
10 set by Department of Corrections?

11 A The same on the property lines as the
12 Cooperative.

13 Q Or following the same requirements of the
14 Department of Corrections?

15 A On the property? Yes.

16 Q On the property.

17 A Yes.

18 COMMISSIONER CLARK: Mr. Weintritt, is that what
19 you refer to as a service drop?

20 WITNESS WEINTRITT: In this case I would, since
21 this customer is accepting primary service.

22 COMMISSIONER CLARK: A pretty long service drop,
23 but it's still what you would characterize as a service
24 drop?

25 WITNESS WEINTRITT: To the prison, actually,

1 from our existing line it was only a couple hundred feet
2 to the metering point.

3 Q (By Mr. Haswell) Now you identified the costs
4 that Gulf Power would incur in extending new lines when
5 you answered the Cooperative's Second Set of
6 Interrogatories to Gulf Power; is that correct?

7 A I don't remember which set of interrogatories,
8 but there was some responses to that point.

9 Q And the cost -- do you recall then in answering
10 those interrogatories that you indicated that the cost to
11 Gulf Power to reach the primary metering point was \$7,436?

12 A Which one is that, sir?

13 Q That's Item No. 2, Page 1 of 1, and your
14 response was: "The estimated cost to extend three-phase
15 service to the Department of Corrections' primary metering
16 point as listed above is 7,436."

17 MR. STONE: Mr. Chairman, I'm having difficulty
18 locating the interrogatory to which Mr. Haswell is
19 referring. Could he provide clarification?

20 WITNESS WEINTRITT: I have not found it yet
21 either.

22 CHAIRMAN DEASON: I believe it's Item 2, Page 1
23 of 1.

24 MR. STONE: Of Gulf's Responses to Staff's
25 Second Set?

1 MR. HASWELL: Gulf's Responses to Gulf Coast's
2 Second Set.

3 MR. STONE: I apologize. I am still not finding
4 it. It's Gulf Coast's First Set of Interrogatories, Item
5 No. 2? It's your Second Set of Interrogatories. Okay.

6 Q (By Mr. Haswell) Have you found it,
7 Mr. Weintritt?

8 A Yes, I have.

9 Q And I'm sorry, I didn't make -- I just want to
10 make sure that the answer was correct. You see, the
11 interrogatories are not in the record. That's why I have
12 to ask you these questions.

13 A Okay.

14 Q You identified that the cost to reach that
15 service drop as you referred to would cost \$7,436?

16 A I believe that includes the metering facility.

17 Q It does include the metering or --

18 A As I recall it does include the metering. It's
19 the complete cost to provide service.

20 Q So you can make that extension in terms of the
21 lines and the poles, plus the metering facilities
22 themselves, all for \$7,436?

23 A I believe that to be correct.

24 Q Do you know if it's right, or are you just
25 guessing?

1 A No, I am not guessing. I believe this includes
2 the cost of metering also. There's only two or three
3 poles required from Gulf Power.

4 Q And also referring to the Gulf Coast's second
5 interrogatories, the cost to construct and remove the
6 temporary single-phase service to the points that were
7 listed in Interrogatory No. 3 was \$21,369; is that
8 correct?

9 A Yes.

10 Q And following to the cost to Gulf Power to
11 provide service to positions numbered 14 and 19 and the
12 street lighting for the 27 lots -- this is Interrogatory
13 No. 4 -- you answered that as 45,169?

14 A Yes.

15 Q You also indicated that --

16 CHAIRMAN DEASON: Excuse me. Let me ask a
17 question just to clarify. The costs that are shown in
18 response to Interrogatories 3 and 4, the 21,000 and the
19 45,000, those costs are for what? Can you be more
20 specific as to what those represent?

21 WITNESS WEINTRITT: Yes. The costs on 3. There
22 were numerous points shown on the Department of
23 Corrections' map of the facility at which temporary
24 service was to be provided to the contractor. That's
25 those positions on 3.

1 CHAIRMAN DEASON: So those would be -- this
2 would provide temporary service to the contractor?

3 WITNESS WEINTRITT: Construction power, yes.

4 On No. 4, there were other additional permanent
5 services in addition to the master meter. That included
6 housing for some employees and some auxiliary facilities,
7 I believe, a classroom and a firing range for the prison,
8 but would be on separate meters from the main primary
9 meter.

10 CHAIRMAN DEASON: Okay, thank you.

11 Q (By Mr. Haswell) Mr. Weintritt, this temporary
12 service was three phase or single phase?

13 A All of them? I believe they're single phase.

14 Q And you also indicated that the cost to Gulf
15 Power for the reinstallation of the Moss Hill section or
16 segment from I guess on 279 down to Moss Hill, was 9,594?

17 A Where did I indicate that?

18 Q First I believe that was an answer you gave to
19 Staff. It's not in these interrogatories, but in your
20 deposition, look at Page 32, Line 24, and I believe that
21 was in answer to Staff's interrogatory 9f, the
22 reinstallation down to Moss Hill transformer, and I
23 believe you said that was 9,594; is that correct?

24 A That's correct.

25 Q But that wasn't an actual work order, that was

1 simply one of your engineers' estimate of a larger work
2 order; is that correct?

3 A Yes, I believe that was the estimate.

4 Q And I think you described it at your deposition
5 as that was simply a slice out of that larger work order
6 where you came up with the 9,594?

7 A I don't recall describing it as a slice. The
8 portion of line along down 279 down to Moss Hill is a very
9 small portion of the Vernon distribution system.

10 Q Okay, on Page 34 of your deposition at the top
11 of the page, in answer to a question you said, "I had an
12 engineering estimate prepared for it.

13 "It would have been buried up in a larger work
14 order hard to identify that slice of costs." Do you
15 remember answering that question?

16 A Yes.

17 Q Now the cost of the regulator bank that you
18 installed on 279 was 45,909?

19 A That was the entire cost of removing the auto
20 transformer and installing the regulators. That was the
21 engineer's estimated cost.

22 Q And do you know what the cost -- the data --
23 excuse me, the cost of the transformer changeout at
24 Vernon?

25 A I don't know that.

1 Q Now the purpose of -- it might help us if you
2 tell, the purpose of the expenditures and improvements was
3 to be able to provide a loop or dual service feed in this
4 area?

5 A The purpose of the expenditures of the entire
6 Vernon conversion was to provide adequate service to a lot
7 of square miles of south central Washington County, only a
8 small part of which is this line that runs over to Sunny
9 Hills. Our lines from Vernon run all the way up to
10 Bonifay and over to the Choctawhatchee River on the
11 south. It's a much larger area than this disputed area.

12 Q But the lines running down -- the three-phase
13 line that runs down 279, does that serve people in
14 Bonifay?

15 A No, it does not.

16 Q It primarily serves people on that line from
17 Vernon just the way the geography runs, up to Sunny Hills;
18 is that correct?

19 A Primarily.

20 Q And you have experienced a large amount of
21 growth in the last couple years in that area?

22 A We've experienced typical growth for that area,
23 in that area, for the last couple of years.

24 Q And what is typical growth?

25 A It's not large compared to San Destin, no.

1 Q Almost be none?

2 A No, no, there is steady growth.

3 Q On Page 7, Lines 1 through 11 of your prefiled
4 testimony, you testified that the installed transformer
5 capacity of 11,550 kV at Vernon and 24,640 kV at Sunny
6 Hills, that would be a total substation capacity of
7 36,190; would that be correct?

8 A That looks right, yes.

9 Q Is that substation -- is that 24,640 for the
10 Sunny Hills, is that a normal rating or is that if it's
11 got the fans and oil and everything else with it?

12 A That's with all available forced oil, forced
13 air, cooling.

14 Q Would you ordinarily -- is that the -- that's
15 not a normal rating then; that is an emergency rating?

16 A No, that's the maximum rating name plate but
17 with all available auxiliary cooling on the bare tank.

18 Q Does the Sunny Hills tank have all that
19 auxiliary equipment on it?

20 A I'm not sure if the forced oil pumps are on it
21 or not. I believe some of it is there, I don't know if
22 it's complete.

23 Q How about the fans?

24 A I don't recall how many fans are on that
25 transformer.

1 Q You also state that the loads to be 2,870 kVa on
2 the Vernon substation and 2,263 kV on the Sunny Hills
3 substation. Is that correct, or that's what you said?

4 A That's what I said.

5 Q So the total of those two figures would be
6 5,133? That's just arithmetic.

7 A Yes.

8 Q So that tells me, if my arithmetic is correct,
9 that under normal conditions the Vernon substation has
10 8,680 of unused or excess transformer capacity, and that
11 the Sunny Hills substation has 22,377 of unused or excess
12 capacity for a total of 31,057 kV of unused or excess
13 capacity in those two substations. Would that be a fair
14 statement?

15 A It would be accurate to say the capacity exceeds
16 the normal peak loads with the system under normal
17 conditions by that number.

18 Q In other words, following my question involving
19 normal conditions, that you would have approximately
20 31,000 kVa of unused or excess capacity in both those
21 substations, combined?

22 A Approximately that. I understand that the
23 Vernon substation was less than four MVA prior to this
24 conversion, and it's not good practice to go from 4 to 5
25 while you're spending the labor dollars. It's wise and

1 prudent to make a larger increase.

2 Q So under normal conditions, it's only about 14%
3 of that total substation capacity is being utilized, or
4 whatever percentage that comes out to, that's --

5 A I haven't done the arithmetic on the percentage
6 of the load.

7 Q But on Page 7, Line 11 of your prefiled
8 testimony, you say: This reserve did not just happen. It
9 is the result of carefully planned load projections and
10 well executed growth plans?

11 A That's what I said.

12 Q When did all these distribution planning begin?
13 Was that -- would you say that was back in 1971 when Gulf
14 Power first extended its lines from Vernon to Sunny Hills
15 and then built the substation?

16 A I'm sure our planning began long before that.

17 Q More than 23 years ago?

18 A Vernon substation itself preceded Sunny Hills
19 substation, and if you had been in possession in the late
20 sixties or early seventies of the information of the
21 success of the Deltona Corporation and the Mackle Brothers
22 in South Florida, if we had not -- if the folks that made
23 those decisions at that time had not installed this kind
24 of capacity, this Commission probably would have been
25 after them for inadequately serving what anybody would

1 have thought was going to be another Deltona.

2 Q But that Deltona situation never came out, did
3 it?

4 A We failed to predict the oil embargo in 1975.
5 It jerked the rug from a lot of development in this state.

6 Q So the reason you have all that reserve is
7 because there was a mistake in the projections?

8 A The reason we have all that reserve is because
9 Deltona's construction and sales did not follow the
10 estimates that were -- and projections, that's correct.

11 Q Now according to your answers to Staff's second
12 interrogatories, and I believe, Mr. Weintritt, you signed
13 them, Gulf Power has expended \$3,146,000 to serve 330
14 customers in Sunny Hills subdivision; is that correct?

15 MR. STONE: Do you have a particular reference
16 you're making to an interrogatory?

17 MR. HASWELL: Yep. (Pause) I'm sorry it takes
18 so much time for me to get these interrogatories. If I
19 don't keep them racked in the same box, I lose them.

20 (Pause)

21 CHAIRMAN DEASON: I think we're going to take a
22 ten-minute recess at this time.

23 (Recess)

24 CHAIRMAN DEASON: Call the hearing back to
25 order. Mr. Haswell?

1 MR. HASWELL: Thank you, Mr. Chairman.

2 Q (By Mr. Haswell) Mr. Weintritt, we were
3 discussing or trying to locate Staff's Second Set of
4 Interrogatories, your answers to them, 8c and d. And the
5 figure I'm looking at at the bottom of that response is
6 \$3,146,000.

7 A That's correct.

8 Q And you said meters, 330. Would that represent
9 330 customers?

10 A 330 metered customers in that area, yes, sir.

11 Q So to find out the number of -- I mean the cost
12 per customer, or the investment per customer, we just
13 divide the 330 into the 3,146,000?

14 A There are a few unmetered services in Sunny
15 Hills, some CATV amplifiers and traffic signals that don't
16 have meters, so there would be a few more actual customers
17 that are on a flat rate, than the 330. I'm not sure how
18 many.

19 Q I mean from a mathematical standpoint, let's say
20 there were 335 or 340. To get the investment per customer
21 you divide that number into the 3,146,000?

22 A Yes.

23 Q Likewise, that means we could look at the
24 Co-op's investment in the same manner; could we not?

25 A I don't understand.

1 Q Well, have you had a chance to see the
2 Cooperative answers to Staff Interrogatories No. 3 to
3 these very same questions?

4 A I've seen them, but not recently.

5 MR. STONE: Commissioner, I'm not sure of what
6 the relevance of embedded cost per customer is with regard
7 to the facilities already in place. And on that basis,
8 unless there's -- if there's going to be an extensive line
9 of questioning on that, we feel since it's really not
10 relevant, it really ought to be objected to, in order to
11 speed things along..

12 MR. HASWELL: First thing, I thought the Staff
13 thought it was relevant or they wouldn't have asked the
14 question. Secondly, Mr. Weintritt has stated, and I'll
15 take the time and go back and find it again, that their
16 investment in South Washington County was the result of
17 careful planning, prudent planning. Let me see if I can
18 find it here.

19 MR. STONE: I'll stipulate that he said that.
20 He asked that. If that's what he's contending is the
21 relevance of this question --

22 MR. HASWELL: That's exactly what I'm
23 contending, that Gulf Power has made imprudent investments
24 in South Washington County.

25 COMMISSIONER CLARK: Mr. Chairman, I just have a

1 question. Are you talking about his direct testimony or
2 his deposition?

3 MR. HASWELL: Direct testimony.

4 CHAIRMAN DEASON: All right. I understand that,
5 Mr. Stone, you still wish to make your objection?

6 MR. STONE: I still make the objection,
7 Mr. Chairman. I don't believe that -- although that is a
8 statement that is contained in his testimony, it was an
9 example to show why we have facilities available to serve
10 this load, the question of whether or not the decisions to
11 make those -- to install those facilities is really not
12 before the Commission. Those decisions were made 23 years
13 ago. There have been several rate cases since that time.
14 There have been several territorial disputes that have
15 endorsed the right of Gulf Power to exist in that area.
16 And with regard to going into the detail of --

17 CHAIRMAN DEASON: Mr. Stone, I agree with you
18 that the prudence of those investments as far as your
19 rates are concerned is not the subject of this
20 proceeding. However, I do think it is relevant for the
21 subject matter that is at hand, and as Mr. Haswell points
22 out, it was raised in your witness's own direct testimony,
23 and I will overrule the objection and allow the question.

24 MR. HASWELL: Thank you, sir.

25 Q (By Mr. Haswell) Well, if I told you that the

1 Co-op's answers to Staff Interrogatories No. 3 to the same
2 question showed 665 customers of Gulf Coast in that
3 five-mile radius, would you disagree with that? Does that
4 sound reasonable?

5 A Our interrogatory doesn't have anything -- it's
6 not the five-mile radius. We were talking about Sunny
7 Hills.

8 Q There are no Co-op customers in Sunny Hills, are
9 there?

10 A Not to my knowledge.

11 Q That's all served by Gulf Power?

12 A Yes, it is.

13 Q The total -- do you know what your total
14 customers were within five -- in that Staff question, they
15 ask you: "What are your total customers within five
16 miles?" Did you have an answer to that?

17 A We did. It was 500 plus. I would have to find
18 it in here to get the exact number.

19 CHAIRMAN DEASON: That's within a five-mile
20 radius of what?

21 MR. HASWELL: The prison site.

22 CHAIRMAN DEASON: So you have 500 plus customers
23 within five miles radius of the prison site?

24 WITNESS WEINTRITT: Yes, sir, that was a
25 question that was answered somewhere in the discovery. I

1 don't remember which set. We can find it if you'd like,
2 the exact number.

3 CHAIRMAN DEASON: That's fine.

4 Q (By Mr. Haswell) Look at Item 6, Page 2 of 2,
5 you show 532 meters.

6 A Which set of interrogatories?

7 Q Same set we were just looking at. Staff's
8 Second Set of Interrogatories to Gulf Power.

9 A Yes, I see it.

10 Q 532 meters; is that correct?

11 A That's correct.

12 Q That's within a five-mile radius?

13 A Yes, it is.

14 Q And the total cost to construct the facilities
15 you advised the Staff, was 3,314,000; is that also
16 correct?

17 A It is.

18 Q But you haven't had a chance to look at the
19 Cooperative's answer. The Cooperative answer to that same
20 question is 665 customers. Does that sound reasonable to
21 you?

22 A I would need to look at it. (Pause)

23 Q We'll just skip that. Did you submit -- you
24 submitted the answers to Staff's Second Set of
25 Interrogatories on behalf of Gulf Power; did you not?

1 A Yes, I did.

2 Q And you answered as No. 21 (pause) -- they asked
3 for the amount of outages per customer. Do you recall
4 what you told the Staff?

5 MR. STONE: I'm sorry, are you referring to
6 Staff's Second Set of Interrogatories, Item No. 21?

7 MR. HASWELL: Yes, and I'm looking at it, too,
8 and that's the wrong number.

9 Q (By Mr. Haswell) I'm sorry, it's Item No. 11.
10 So your average -- your number of outage hours per
11 customer was 2.50 hours; is that correct?

12 MR. STONE: For the record, I believe the
13 interrogatory response says 2.52.

14 Q (By Mr. Haswell) I'm sorry 2.52. Is that
15 correct, Mr. Weintritt?

16 A For the time period referred to in here, yes,
17 2.52.

18 Q Have you had a chance to review Gulf Coast's
19 answers to that same interrogatory to the Staff?

20 A I've seen it, but not recently.

21 Q If I told you that their number of outage hours
22 is 1.66, does that ring a bell or refresh your
23 recollection?

24 A I don't recall it. I would need to look at the
25 answers to refresh my recollection.

1 Q If it were 1.66 hours, isn't it true that the
2 actual outage history may be a reflection of the relative
3 reliability of a system?

4 A If you were looking at a history over a
5 prolonged period of time it might be true. Looking at it
6 for a one-year snapshot, as is in my response, one
7 incident skewed this greatly, one prolonged outage on the
8 Sunny Hills substation breaker. That, however, would not
9 have affected this correctional facility. That area can
10 be switched over to the Vernon substation.

11 Q Would you or would you not agree that a system
12 that has 1.66 hours of outages per customer is more
13 reliable than one that has 2.52?

14 A Not necessarily. I would say that system had
15 one less unfortunate thing happen to it during this time
16 period.

17 Q So at any particular snapshot in time, the fact
18 that one may show more hours of outage per customer than
19 the other you don't really think makes any difference?

20 A I don't think it's a single factor on
21 distribution reliability. There can be many, many outages
22 that affect very few customers or one single outage that
23 affects a lot of customers to accumulate these minutes.
24 It's not something so simple that one number can describe
25 the entire picture.

1 Q Now the distance on your diagram that you attach
2 to your direct testimony, the distance that your
3 facilities travel from the Vernon substation to the prison
4 site is approximately 13 and a half miles?

5 A Which diagram is that, sir?

6 Q Your WCW-1 Page 4 of 5 if my memory serves. I
7 think it's referred to as Exhibit 2 for this proceeding,
8 Composite Exhibit 2. Maybe I can help you. did you look
9 at Mr. Dykes' testimony?

10 A I have reviewed it in the past, yes.

11 Q And he says in his testimony it's 13.64 miles
12 from the prison site to Vernon. Do you have any reason to
13 dispute that?

14 A I thought it was shorter, but I don't -- this
15 diagram doesn't show the distance, or I can't read it,
16 it's too poor a copy. I don't believe it's on here.

17 Q And I think you said it was 7.5 miles from Sunny
18 Hills substation to the site; is that correct?

19 A Where did I say that?

20 Q On one of your answers to your interrogatories.
21 If you don't remember I guess we'll have to look it up.

22 A I might have said that, but if you want to me to
23 agree to it, I need to look it up.

24 Q You don't know how far it is?

25 A It's in range, but I'm not sure it's exactly 7.5

1 is what I said.

2 Q It might be seven to eight?

3 A It might be.

4 Q Do you know how far it is from the Co-op's
5 Crystal Lake's substation up to the same point of service
6 that you would provide service to the prison if you were
7 the service provider? Five miles?

8 A It might be five. It might be longer than
9 that. It's in that range also.

10 Q Five, five and a half miles?

11 A It's not 50. It's closer to five. Whatever it
12 is.

13 Q Now all things being equal except distance, does
14 the distance from a source of energy to its point of use
15 affect reliability?

16 A Not necessarily. All things aren't equal.

17 Q I said assume that all things are equal except
18 distance. Does the distance from a source of energy to
19 its point of use affect reliability?

20 A Not necessarily. It would affect how much more
21 system you had to maintain in good shape to preserve
22 reliability. If you have a ten-mile line, you have twice
23 as many poles you need to keep from rotting as you do with
24 a five-mile line. But the reliability of both could be
25 okay, the outage rate.

1 Q Does it also depend on the kind of terrain they
2 go through?

3 A Now all things aren't equal.

4 Q Then it does depend on whether or not it goes
5 through the same kind of terrain?

6 A Terrain can affect the hazards to a line and the
7 repair time both.

8 Q So if a system -- let's say, for instance, a
9 five-mile line was right along a major state highway, and
10 the other utility had a five-mile -- or ten-mile line that
11 ran through the woods and through some ponds, would that
12 affect reliability? Any difference between those two?

13 A There might or might not be. Along a highway
14 provides easy access to work, but it also provides for
15 vehicles to strike a line, to break a pole. So you could
16 have -- you're exposed to a hazard you wouldn't have on
17 the line through the swamp.

18 Q Now without the changes you've made and you've
19 testified to, to your Vernon substation and the facilities
20 from Vernon to the prison site, isn't it true that you
21 could not have provided the prison with the quality of
22 reliability that you claim you have without those
23 changes?

24 A The Vernon upgrade was initiated in the mid to
25 late 1980s because of voltage problems south and west of

1 Vernon substation. We had a series of regulator banks
2 cascaded down toward the Choctawhatchee River and could no
3 longer provide adequate service at 12 kV, and it was
4 decided for long-range purposes to convert the entire
5 Vernon system to 25 kV. We then did that over the next
6 three-plus-year period. It had nothing to do with this
7 prison. We began it before anybody dreamed of this
8 prison.

9 Q That's what I'm trying to get at. But isn't it
10 true that you could not have this claimed quality of
11 reliability that you say is superior to the Co-op's
12 without having made that investment?

13 A We made that investment to provide that quality
14 of reliability to the entire system, not to this prison.
15 At the time we began this project, we had this quality of
16 reliability. We still do.

17 Q My question is really simple. Isn't it true
18 that you could not have provided this prison that came
19 along, or anybody, with a quality of reliability you do
20 not claim to have without having made that investment?

21 A We could and did switch load back and forth
22 between Vernon and Sunny Hills before we made that
23 investment.

24 Q And still have the superior quality of
25 reliability that you claim?

1 A I claim that quality of reliability because of
2 the loop feed. It existed before and it still does.

3 Q So your claim of the reliability issue is
4 strictly the dual feed that you have?

5 A That is a major factor is the dual feed.

6 Q What are -- are there any other major factors,
7 or are the other factors minor?

8 A We have, Gulf Power has, an aggressive
9 maintenance program to include distribution and
10 transmission line reclearing to reduce the number of
11 outages and lessen your dependence on a loop feed or on
12 repair time either one. That factor has acted to improve
13 our reliability overall in this area, as well as others.

14 COMMISSIONER CLARK: Mr. Weintritt, I am still
15 not clear as to whether your answer with respect to the
16 upgrades to the Vernon station contribute to your claim of
17 a certain level of reliability. Without those upgrades,
18 could you claim the same level? I can't tell from your
19 explanation if the answer is yes or no.

20 WITNESS WEINTRITT: The answer is yes, we
21 claimed that level before we made those upgrades and we
22 will be able to claim that for longer in the future. The
23 Vernon transformer capacity increase was done not because
24 of this prison. The line on the map runs all the way up
25 to Bonifay and ties to it. It's not just a Vernon

1 question. It's an integrated system in this area.

2 COMMISSIONER CLARK: Well, as I understood your
3 testimony, the reason you made the upgrade is because you
4 were having problems with reliability in the area; is that
5 correct?

6 WITNESS WEINTRITT: With voltage level south and
7 west of this disputed area.

8 COMMISSIONER CLARK: Is voltage level related to
9 reliability?

10 WITNESS WEINTRITT: I --

11 COMMISSIONER CLARK: You have to answer in the
12 exact same words to me because I can't tell if voltage
13 level equates to reliability. I think it does, but unless
14 you make that connection for me, I'm not sure I've
15 understood the answer.

16 WITNESS WEINTRITT: The hair I was splitting
17 there is, to me, reliability means your service is out,
18 period. And voltage level means your lights burn dim and
19 poor quality, rather than a complete outage. The cascaded
20 regulators, there were four or five, four sets, I believe,
21 of voltage regulators on this fairly long line, longer
22 than down toward the prison and Sunny Hills, in a
23 direction away from this area. We reached the point where
24 we added our last set of regulators that you could
25 physically do in 1987 or '88, and it bought us a couple of

1 years. And yes, we had consumer complaints in this area
2 known as Shell Landing, or New Hope, that part of
3 Washington County. There was no more remedial action to
4 be done at 12 kV other than a very, very expensive
5 reconductor with large wire. The decision was made in
6 conjunction with your planning folks to convert it to
7 higher voltage rather than to put up bare wire. That was
8 compatible with the Sunny Hills 25 kV that we had in that
9 area.

10 COMMISSIONER CLARK: If you had not upgraded to
11 the 25 kV and you were serving the prison, would you have
12 problems with light -- with quality of service to the
13 prison?

14 WITNESS WEINTRITT: No, no, the line from Vernon
15 substation north to the city of Vernon is very large wire
16 and was plenty adequate at 12 kV. The line then that we
17 talked about earlier, the small segment from Highway 79
18 down to the Moss Hill substation was more than adequate,
19 and still is, to back up the Sunny Hills area, including
20 the prison. The Moss Hill auto transformer tied that 12
21 and 25 kV system together. It was more than adequate.
22 The thing that started us was this voltage problem in a
23 completely unrelated area three or four years before this
24 prison, and that was where our inadequacy was. We
25 converted an entire area substation rather than just that

1 one branch over a three-year period. The Moss Hill
2 transformer now is up now just south of Bonifay, tying the
3 now Vernon 25 kV to the Bonifay 12 kV, providing a
4 redundant feed in that direction also.

5 It's a lot bigger picture on the overall
6 reliability in this area of our service territory than
7 just that intersection, but that intersection benefits
8 from this overall picture.

9 Prison sites that we talked about over the last
10 three or four years included Caryville in Washington
11 County, which is a completely -- this work was going on
12 when we were talking about a prison maybe being located 20
13 miles from here. It is -- that portion between Vernon and
14 Sunny Hills was okay and still is.

15 COMMISSIONER CLARK: Let me ask it in language I
16 understand. Does that mean the problem was in a different
17 direction?

18 WITNESS WEINTRITT: Yes.

19 Q (By Mr. Haswell) Thank you, Commissioner.
20 What's the purpose of -- why would you put voltage
21 regulators on a line anyway?

22 A To keep the voltage provided to the consumers
23 within acceptable limits.

24 Q So if you have -- you say you had cascading
25 voltage regulators, the longer your line is, do you have

1 to add more regulators to keep the voltage up?

2 A It's a combination of line resistance and load
3 that causes a voltage drop. Sometimes you have regulators
4 on very short line if you have very large loads.

5 Q And one of the solutions of -- problems with
6 voltage drop is to go from 12.5 to 25 kV?

7 A Yes.

8 Q Now you've already answered this question and I
9 think on that -- on your Map No. 3 of your exhibit you
10 indicated that was not an auto switch but a manual one,
11 and I think you told the Staff the same thing?

12 A That's correct, it's a manual switch.

13 Q Now, help us on this. If -- and this goes to
14 your issue of reliability that you raise in your
15 testimony. That means someone has to get in a truck from
16 Chipley, drive down there, get out of the truck, walk over
17 and throw the switch?

18 A Or from Panama City or from Panama City Beach,
19 or from somewhere, yes.

20 Q How far is it from that site to Chipley?

21 A Fifteen to 20 miles. I'm not sure. In that
22 range.

23 Q And how far from that site to Panama City?

24 A Approximately the same. It's nearly midway.

25 Q Have you ever driven that -- you've driven

1 between that site and Chipley and from that site and
2 Panama City?

3 A Yes, I have.

4 Q How long does that usually take?

5 A Well, I drive it from Panama City more often,
6 but probably half hour or 40 minutes, depending on traffic
7 and time of day.

8 Q So in your issue of reliability and this dual
9 feed, is it fair to say that it's because the Cooperative
10 line that runs out of its Crystal Lake substation cannot
11 be -- that one segment of five, to five and a half, six
12 miles, cannot be dual fed from another location?

13 A To my knowledge it cannot be dual fed from the
14 other end.

15 Q That's the issue of reliability for you?

16 A It is. It gives us an edge in this case, yes.

17 MR. HASWELL: Mr. Chairman, I don't mean to make
18 a big issue out of this, but I would like the record to
19 show that there's gentleman sitting next to
20 Mr. Weintritt. I don't know if he's identified himself.

21 Q (By Mr. Haswell) Mr. Weintritt, who is that
22 sitting next to you?

23 A Michael R. Dunn.

24 MR. HASWELL: Mr. Chairman, I've noticed that
25 Mr. Dunn has been writing notes and. Mr. Weintritt has

1 been looking at them. I don't have a problem with that,
2 but I want the record to show that some of these questions
3 may or may not be coming from Mr. Weintritt, or answers.

4 MR. STONE: Mr. Chairman, it has been
5 traditional Commission practice for as long as I've been
6 before the Commission that witnesses in this technical
7 area are allowed to have backup assistance with them at
8 the witness table. If Mr. Dunn's presence at the table is
9 objectionable to Mr. Haswell, he can be removed.

10 CHAIRMAN DEASON: I don't believe an objection
11 has been raised, but it's been noted for the record, and I
12 don't think the procedure that we're following here is
13 objectionable, and it does conform with standard procedure
14 of the Commission.

15 Q (By Mr. Haswell) Is it your judgment that the
16 current configuration of the Co-op substation and
17 distribution facilities is unreliable in the area -- the
18 five-mile radius area shown on your exhibit?

19 A I don't think I said it was unreliable.

20 Q I'm not asking you what you said. I'm saying is
21 it your opinion that it is?

22 A That it is unreliable?

23 Q Correct.

24 A No, I wouldn't say it's unreliable. That's an
25 opinion. I mean reliability is a nebulous term.

1 Q You mean it's subject to differences of opinion?

2 A I'll tell you right now there are customers that
3 I think are getting a lot better service than they did
4 five years ago that would like reliability to be better.
5 So yes, sir, it's subject to your perspective and your
6 opinion.

7 Q You mean Gulf Power's customers?

8 A Yes.

9 Q You're not suggesting then by what your concern
10 about the Co-op system compared to yours is that if there
11 is a customer on your system, Gulf Power's system, who is
12 at the end of a 5.4 or 6.4 mile extension from a single
13 source, you're not suggesting they're getting unreliable
14 service?

15 A At the end of our system?

16 Q Right.

17 A I'm suggesting that they do not have the
18 capability of a dual source and that is inferior to what a
19 customer at this location --

20 Q That's not my question. My question is if you
21 have customers on your system who are sitting, let's say,
22 for example, the same site the prison is, being served by
23 the Co-op, but they're your customers and you're doing the
24 service, are they getting unreliable service?

25 A No, they are not getting unreliable service.

1 However, it would be unwise not to take advantage of the
2 situation as it offers. And it's a simple issue. Our
3 line is on Highway 77, Highway 279. The Cooperative's
4 line is also. If a driver runs off the road and hits a
5 pole, the Co-op has to fix the pole. We can switch to an
6 alternate source. It simply puts a ceiling on the time
7 frame that we can -- then we would proceed with our repair
8 also.

9 Q Let's get into that time frame. You just got
10 through saying it would take 30 to 40 minutes to come out
11 of Chipley or Panama City?

12 A I said from Panama City. We have shift workers
13 seven days a week, three shifts a day in radio dispatch
14 vehicles. It's conceivable that one could be around the
15 corner at the time something happened. We have other
16 employees who take vehicles home who live just north of
17 Sunny Hills and in Southport.

18 Q Well, that same could be true with a Co-op, they
19 could have a truck right there when someone ran into a
20 pole; is that right?

21 A It's possible.

22 Q But if we were to try to compare the worst-case
23 scenarios for both of them, and nobody has left your
24 Chipley office or your Panama City office, and nobody has
25 left the Co-op office, and they're sitting there drinking

1 coffee, would it take your guys any longer than the
2 Cooperative people to get out to the site?

3 A To get to the site? No, we both would have to
4 drive to the site. The time would be driving time for
5 either party.

6 Q Do you know how far it is from the Cooperative
7 district office that would serve this area to the site?

8 A No, I don't. It's on the north side of
9 Southport, but I don't know how many miles that is.

10 Q Is it farther than it is from the site to
11 Chipley, or closer?

12 A It's closer than the Chipley office, I believe.

13 Q Wouldn't a -- one of your crew first have to
14 discover what the problem is before they could make a
15 decision on switching one way or the other?

16 A That would be true of any trouble shooter.

17 Q But the answer is yes?

18 A Yes.

19 Q How many times -- you've been there 21 years in
20 that district?

21 A Yes.

22 Q To your knowledge, in the 21 years in that
23 five-mile radius that we referred to your maps, how many
24 cars have taken out any of your poles?

25 A Any of my poles?

1 Q And interrupted your service by doing so?

2 A I remember one on Highway 279 just north of this
3 site. There may be more that I don't recall.

4 Q But you know of one.

5 A I recall one several years ago.

6 Q Do you recall how long it took you to restore
7 the power?

8 A No, I do not.

9 Q Isn't it true that regardless of all our talk
10 about reliability and dual feed backup, that the
11 Department of Corrections is going to have its own
12 generator on this site anyway?

13 A I understand they will. But they also do at a
14 couple of other prisons that we serve. And just because
15 they have them doesn't mean they like to run them for
16 extended periods of time. And it is true during the half
17 hour, if you will, that it would take us to manually
18 switch that they might be on a generator, but after that
19 they would not be. And the generators typically do not
20 provide total backup. It's usually their secured area.

21 Q But if there was this outage, and you were
22 concerned about the time to fix an outage?

23 A Yes, I am.

24 Q To your knowledge, is there anything that you
25 know that would lead you to believe that the prison could

1 not run its own generators until that problem was fixed,
2 no matter which utility was providing the service?

3 A Only the vagaries of generators; they don't
4 always start. But I understand the prison will have
5 generators no matter which utility serves.

6 Q It's probably a good thing since they're a
7 prison, too; wouldn't you say?

8 A That's up to them, but I can understand why they
9 would want to do that, from my perspective.

10 Q Now, on your Map No. 1 that -- or your visual
11 aid, isn't it true that Gulf Power does not have any
12 service facilities on the site of the correctional
13 institute outlined in yellow?

14 A I'm not sure what you mean by service
15 facilities. The site as donated to the prison actually
16 intrudes on the right of way, or our records show it does,
17 on that westerly side, and our line crosses at that
18 point. Then we provide a service to the state of Florida
19 at the intersection of 279 and Highway 77. We serve the
20 traffic signal at that location for the DOT. That may be
21 on the right of way; it may not. I'm not sure. It's
22 right at the right of way's edge if it's not on site.

23 Q Then, if you look at your deposition, Page 44,
24 Line 1 through 4. And I ask you the question: "So is it
25 fair to say that Gulf Power Company had no facilities on

1 the site of the disputed area where the prison is
2 located?"

3 And your answer was, "That's correct." Do you
4 remember giving me that answer?

5 A Our three-phase line --

6 Q Excuse me, do you remember giving that answer?

7 A Yes, I remember giving you that answer.

8 Q Thank you.

9 A Our line runs along the road right of way. What
10 I'm not sure of is whether or not the service drop and
11 meter for that traffic signal is actually on private
12 property or road right of way. I haven't had it
13 surveyed.

14 Q You can't tell us that you've ever had any
15 historical service on this correctional facility site, can
16 you?

17 A No, I have not made that claim.

18 Q Now, if you were to provide service to the
19 Department of Corrections, I believe you indicated in the
20 answer to one of Gulf Coast's interrogatories, I believe
21 it's the third set, and it's No. 15, that you would charge
22 a contribution in aid of construction to the DOC of
23 \$13,862; is that correct? Do you recall saying that?

24 A I need to look at it just a minute. Is that
25 Gulf's Response to Gulf Coast's Third Set?

1 Q Gulf's Responses to Gulf Coast's Third Set.

2 A Okay.

3 CHAIRMAN DEASON: Mr. Haswell, while he's doing
4 that, let me ask, how much more do you have for this
5 witness?

6 MR. HASWELL: Mr. Chairman, probably be at least
7 an hour. Do you feel convenient to take a break for
8 lunch? That would be fine with us.

9 MR. STONE: I'm sorry, how much longer does he
10 have?

11 MR. HASWELL: An hour.

12 CHAIRMAN DEASON: Yes, we will take a lunch
13 break at this time. Now is convenient. And we will
14 reconvene at 1:15.

15 (Lunch recess from 12:20 p.m. until 1:20.)

16 CHAIRMAN DEASON: Call the hearing back to
17 order. Mr. Haswell?

18 MR. HASWELL: Thank you, Mr. Chairman.

19 Q (By Mr. Haswell) Mr. Weintritt, you had
20 indicated initially, I believe, in talking about the cost
21 to Gulf Power to provide the service drop, and you had
22 given a figure of 7,436. And correct me if I'm wrong, but
23 did you say you thought that was about a 200-foot
24 extension?

25 A I said it was several hundred -- it was several

1 hundred feet and, let me go back to that also, if you
2 would. I reread it carefully. You'll recall I was not
3 certain about my answer, and in rereading it, it says to
4 extend three-phase service to the metering point. On
5 rereading it carefully and reflecting, I don't believe
6 that includes the metering equipment. That is likely the
7 line extension. If we could make that correction.

8 Q Thank you, sir. And when you prepared the
9 answers to those questions to the Cooperative's second
10 interrogatories to Gulf Power Company, did you review a
11 map similar to this one?

12 A Yes, I did.

13 Q Can you tell us -- you said a couple hundred
14 feet to the metering point. Is it more like a thousand?

15 A I don't see a scale on here. There it is.
16 Well, it's more than 200 with this inch to 200 scale, but
17 I don't have a scale with me.

18 Q Okay. Now in your direct testimony you
19 indicated that the Cooperative actually built the
20 three-phase line that it built on 279 past the entrance
21 road to the prison, and I guess on your Map No. 4 sitting
22 up there, we're talking about the line that would come up
23 from the intersection of 77 and 279, go up to where that
24 little squiggle is going in is the entrance road, and you
25 were also objecting to the fact that the Co-op built the

1 line past there?

2 A Yes.

3 Q I'm just setting that up. Do you know why the
4 Co-op had to construct that facility past just the
5 entrance road?

6 A There is a service requirement at the housing
7 area, but it does not require that three-phase line to
8 serve it.

9 Q Now, do you know -- in your Map No. 4, you don't
10 show the Cooperative single-phase facility anymore on that
11 map, do you?

12 A That's correct.

13 Q Is that because you assume it would be removed?

14 A I understand it is to be removed.

15 Q On Map No. 3 that you shared with us, would it
16 be prudent for a utility, if that line that runs across
17 the correctional site called the Red Sapp Road is removed,
18 would it be prudent for that line to be relocated on 279,
19 or someplace else?

20 A Obviously you have to provide service to whoever
21 is on the load side of that line, somebody needs to;
22 nobody is going to abandon those consumers. As far as
23 relocating, that's a financial decision that would depend
24 on the number of customers and other alternatives.

25 Q But if the -- if that line is providing service

1 to people either on the site itself or from the western
2 intersection of the Red Sapp Road line up north to 79,
3 wouldn't there have to be some construction done to
4 re-establish that service, if the line itself was removed
5 on the property?

6 A I believe there is a line north of here that
7 runs on a road, whose name I don't know, from Highway 77
8 and intersects the 279 system at a point north of this.
9 If my understanding of that is clear, that service could
10 have been picked up from there with a lot less than 4,000
11 feet of construction. I believe it just requires closing
12 an open point.

13 Q Are you familiar with the Co-op's distribution
14 system that you refer to?

15 A I've ridden it. I'm familiar, but certainly not
16 an expert.

17 Q So you don't know how many miles it would
18 actually be if they actually tried to feed that service on
19 the western side of the prison from a loop that went all
20 the way up and came down the other side?

21 A No, I don't know how many miles. I know the
22 northerly part of that used to be fed that way until a few
23 years ago.

24 Q Okay, but I mean following up on what you said
25 earlier, told the commissioners, you had some problems

1 yourself on your own system that you've remedied by
2 upgrades and putting in dual feeds and things like that.
3 That's good utility practice, improving service?

4 A It's a prudent practice to resolve problems in
5 service, yes. However, trying to decide whether to
6 provide backup service is once again dependent on the
7 number of customers, the nature of the load, the
8 investment required.

9 Q But you don't think it would be prudent for your
10 company to actually change the configuration of a service
11 to make it less reliable than it was before the change,
12 would you?

13 A Well, we actually did that at this -- Before we
14 moved the Greenhead transformer to Vernon, there were
15 three ways to serve this prison site with 25 kV. So we
16 deemed it prudent that two ways was enough. Three wasn't
17 required. So, yes, that can be a good decision.

18 Q I'm sorry, I didn't hear the last part.

19 A Yes, I believe it can be a good decision.

20 Q Now that Greenhead substation you referred to,
21 that was the one that had been serving Leisure Lakes?

22 A At one time it served Leisure Lakes.

23 Q And that was one that was removed as a result of
24 a territorial dispute with the Co-op?

25 A No, it wasn't removed as a result of a

1 territorial dispute. It stayed in service there for
2 several years and provided its purpose of increased
3 capacity in the Sunny Hills/Vernon area. That's the
4 transformer we moved to Vernon sub in May of '93.

5 Q Now you also referred in your testimony about a
6 rate comparison between Gulf Power and Gulf Coast. Did
7 you do that rate comparison yourself?

8 A No, I did not perform the actual calculation. I
9 reviewed it after a marketing representative prepared it.

10 Q And isn't it also true that there is no
11 guarantee that Gulf's rates will be the same this time
12 next year as they are right now?

13 A There almost certainly will be fluctuations in
14 the adjustment clauses. I don't believe there is any base
15 rate change going to be made in a year.

16 Q And so there's no guarantee whatsoever that the
17 rates will be the same, this year -- I mean next year as
18 they are this year?

19 A There's no guarantee of that, no, sir.

20 Q Now when did you first -- excuse me. You first
21 learned about the fact that the DOC might locate a prison
22 in Washington County about two or three years ago; is that
23 correct?

24 A It's certainly several years. I mean there has
25 been a lot of conversation and prisons located in various

1 counties in northwest Florida, so, yes, several years is
2 probably as good an answer as I can give you.

3 Q Now, if Gulf Power had been awarded service, is
4 it your testimony or your belief that Gulf Power would not
5 pay any compensation for the removal to anybody of that
6 Red Sapp Road line?

7 A No, I don't believe we would have paid any
8 compensation for the removal of that line.

9 Q Do you know whether or not the Department of
10 Corrections was concerned about that?

11 A I don't know whether the Department of
12 Corrections was concerned. I know the issue was raised at
13 some time. I read a letter Mr. Norris wrote an attorney
14 in Chipley that addressed forgiving that cost. But I'm
15 not sure what the DOC was aware of at that time.

16 Q Did you ever have occasion to talk to
17 Mr. Kronenberger about it?

18 A I didn't talk to Mr. Kronenberger about it, no.

19 Q Were you present when his deposition was taken?

20 A Yes, I was.

21 Q Did you hear him talk about the concern about
22 paying costs for removal of that line?

23 A I recall the discussion. I don't recall that it
24 was -- a specific cost was mentioned.

25 Q So even if the Department of Corrections says it

1 would not locate the site where it actually did unless you
2 did pay some compensation for the removal of that line,
3 you still -- Gulf Power would not have contributed to any
4 relocation cost?

5 MR. STONE: I object -- excuse me, I would
6 object to the hypothetical question. I don't know of any
7 basis anywhere for that hypothetical question.

8 MR. HASWELL: Commissioner, it gets into the
9 costs. It's not a hypothetical question. The Staff has
10 asked in interrogatories to the Cooperative and I'm sure
11 anticipating that they will get into it in the examination
12 of our witnesses, and in response to interrogatories we
13 filed, that there are some relocation costs and expenses
14 associated with the removal of the Red Sapp Road line and
15 relocating it on 279. And the issues that will be raised,
16 and that we're going to discuss, is that the Cooperative
17 was willing to do that and waive those costs, but Gulf
18 Power would not. In fact, I think Mr. Kronenberger's
19 testimony is going to say it -- correct me if I'm wrong,
20 Jeff, but in his deposition they were concerned that Gulf
21 Power would not.

22 MR. STONE: I believe the question and answer
23 that is in Mr. Kronenberger's deposition, which has been
24 introduced into this record is:

25 Question by Mr. Cresse: "Mr. Kronenberger, in

1 your response a moment ago you mentioned that you were
2 concerned about some costs that were incurred. Would you
3 go into that with me a little bit more. That Gulf Coast
4 had incurred?"

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

13 "Did someone tell you you would have to incur
14 the cost of moving those lines?"

15 Answer: "Nobody specifically told me. That
16 was, I think, part of the discussions that we had with our
17 Staff internally, that we may have a cost associated with
18 those."

19 CHAIRMAN DEASON: I'm going to overrule the
20 objection and allow the question. I believe the record
21 can be made clear that Gulf Power's position on the
22 question of removal of an existing line is necessary, and
23 I will allow the question.

24 MR. STONE: Mr. Chairman, if I may be heard
25 briefly. The objection on the hypothetical basis is that

1 whether or not Gulf Power feels that it was required to
2 pay that cost. We have not explored whether or not there
3 was any legal requirement for any party to bear those
4 costs, who had a legal right to ask the Co-op to leave or
5 not leave, and that is the basis for my objection.

6 The question is asked in a hypothetical sense,
7 if the Department of Corrections told you that they would
8 not locate the prison at that site if they had to pay that
9 removal cost. There has been no basis established in this
10 record, through Mr. Kronenberger's deposition, or in any
11 other fashion, that the Department of Corrections made
12 such a condition of locating the prison at that site. And
13 that is the nature of my objection.

14 CHAIRMAN DEASON: I understand that and I'm
15 going to allow the question.

16 WITNESS WEINTRITT: Would you repeat the
17 question?

18 Q (By Mr. Haswell) Let me rephrase it to maybe
19 make it simpler. Is it Gulf Power's position that Gulf
20 Power would not have paid a relocation cost for the Red
21 Sapp Road line, even if it meant that the Department of
22 Corrections would not locate there unless you did?

23 A My position would be if the DOC would not locate
24 there, if that was a make or break issue, it is likely
25 that the removal cost of a line such as that would be so

1 low -- it was just a single-phase line, fairly long
2 spans. I think it may have been copper. It is likely
3 that the salvage value of the line would have covered the
4 cost to remove it. It would not surprise me if my company
5 did not agree to clear the property of that encumbrance.
6 But as far as paying for relocation, it was never
7 discussed.

8 Q I'm sorry?

9 A It was never discussed. I mean paying to
10 relocate that line.

11 Q I refer you to Page 63 of your deposition, Line
12 19. I asked you: "What you are saying is that Gulf Power
13 would not pay a relocation cost to that line?"

14 And in Line 24 you said, "My answer is I would
15 not feel obligated to pay to have that line removed."

16 And the next question on Page 64 was: "Even if
17 the Department of Corrections said they would not locate
18 there unless you did?"

19 And your answer was, "No."

20 Now do you recall giving me those -- do you
21 recall those questions and those answers?

22 A I recall giving you those questions and
23 answers.

24 Q Thank you, sir.

25 A But, may I explain? You asked me would we pay.

1 That means to me a cash payment. That does not mean that
2 we would not cooperate with the DOC in helping them
3 procure a clear site. I don't know, since it wasn't my
4 line, if it was on the right of way of Red Sapp Road, if
5 there was recourse to anybody for any reimbursement. Many
6 utilities move and remove pole lines at the pleasure of a
7 governmental authority when you occupy their right of way,
8 both, state, county and city. If it was not on the right
9 of way, I don't know, since it wasn't my line, if it was
10 on private property with no easement. It may have been a
11 case of some entity telling Gulf Coast, move from where
12 you don't belong.

13 Q But you don't know whether that would be true,
14 whether they were where they should be or shouldn't be, do
15 you?

16 A That's why I answered. I don't know why we
17 would pay for that.

18 Q I don't think you answered my question. You
19 don't know whether Gulf Coast was on county road, private
20 easements, you don't know whether they would be entitled
21 to reimbursement or not, do you?

22 A No, I do not know that.

23 Q Now in the construction cost of the prison
24 itself and the -- those various positions that you
25 answered some of our interrogatories for, isn't it true

1 that there is some advantage to having that single-phase
2 service on the site itself for providing temporary
3 service?

4 A I wasn't a part of the discussion on the
5 temporary service on this. I don't know what -- how much
6 of an advantage it was. All I can speak from is my
7 knowledge of the Holmes Correctional Institute, which is
8 not very far from here. And when we served it, we sat
9 down with the DOC, our engineers did, with the DOC
10 representative, and negotiated temporary service sites.

11 Q What I'm asking you, Mr. Weintritt, I'm trying
12 not to get you to run off -- in the interest of time -- on
13 something I didn't ask you about.

14 If you look at the Red Sapp Road line on Page 3,
15 or Map No. 3 of your visual aids, as an engineer and
16 having looked at the positions and the Department of
17 Corrections' requirements, do you think there was any
18 advantage to the Co-op for having those lines there for
19 availability for temporary service, construction service,
20 temporary construction service?

21 A Part of that line is used for the temporary
22 service, I believe. That is a part of the temporary
23 service that did not have to be erected new. It -- to
24 that extent, yes, for those portions would be an
25 advantage. The parts that have to be removed are in the

1 way, and to that extent hinder the construction. It's
2 also an advantage to have lines on two sides of the
3 property and be able to provide temporary service
4 virtually anywhere they want it, but anyway.

5 Q And of course based on this configuration and
6 the fact that the Co-op system is looped, they could have
7 provided temporary service from both sides, right?

8 A The single-phase system was looped? Is that --

9 Q If that's true.

10 A Well, I understand it to be true and they could
11 have provided service at -- in the vicinity of Red Sapp
12 Road.

13 Q From both sides of the site?

14 A From both sides of the site.

15 Q Now referring again to your comment about the
16 Gulf Power line on -- running down to Greenhead or those
17 facilities. Isn't it true that there's no reason for Gulf
18 Power's line from 279 and 77 down to Greenhead to exist?

19 MR. STONE: Are you talking about today, or are
20 you talking about two years ago?

21 Q (By Mr. Haswell) How about right now?

22 A I didn't understand. Please --

23 Q At the time that the Cooperative constructed the
24 line on 279, was your Greenhead transformer still in that
25 substation?

1 A I don't know when the date the Cooperative
2 constructed that line, so I'm not able to answer that. We
3 moved the transformer in May of 1993. After that point,
4 that line was not energized.

5 Q You moved it in May of '93?

6 A I believe that's the time.

7 Q Maybe I can save some time here. On Page 74 of
8 your deposition, on Line 15, I asked you: "Is there
9 another reason for the line to stay there?"

10 And your answer was: "That reason no longer
11 exists."

12 A That's true today. It was not true until May of
13 1993.

14 Q Now is it your understanding that the Department
15 of Corrections does not build prisons like the Washington
16 County prison unless someone gives them the property?

17 A I know they like to get donated property. I'm
18 not sure that I understand that they would never build a
19 prison without donated property. I know they prefer it.

20 Q Do you know of any in your service area that
21 they've built like the Washington County prison that they
22 did without donated property?

23 A I don't know about Apalachee Correctional
24 Institute. That's before my time. But of the recent ones
25 I know of, I believe it was donated.

1 Q And you did, in fact, meet with Mr. Carter of
2 the Washington County Commission about this matter, about
3 service to the prison?

4 A Yes.

5 Q And isn't it true that he asked you not -- he
6 asked you, Gulf Power, not to screw it up because they
7 wanted the prison real bad?

8 A You could summarize his comments that way, yes.

9 Q And then you agreed you wouldn't do anything to
10 screw it up?

11 A We agreed with Mr. Carter that we wanted a
12 prison in Washington County for many of the same reasons
13 he did and that we would not be the cause of there not
14 being one.

15 Q Has Gulf Power helped to get a couple of these
16 kind of prisons located in northwest Florida?

17 A Yes.

18 MR. STONE: Mr. Chairman, I'm not sure that
19 Mr. Weintritt is the appropriate person to ask with regard
20 to that question. He may be, but there are other
21 witnesses that can testify to that regard.

22 MR. HASWELL: He can tell us that.

23 CHAIRMAN DEASON: If the witness has knowledge
24 of it, he may express it.

25 WITNESS WEINTRITT: I have knowledge that we

1 have helped to locate prisons. I am not going to have a
2 lot of detailed knowledge about how, but --

3 Q (By Mr. Haswell) That's fine. Do you know
4 whether it included contributing any money?

5 A Not to my knowledge.

6 Q And your company does, though, get involved in
7 grants and loans or use of employees for helping in these
8 kinds of projects?

9 A Yes, we have in the past done all of the above.

10 Q And regarding your comments in your direct
11 testimony about customer choice, isn't it true that the
12 Department of Corrections approved the selection of Gulf
13 Coast to provide power to the prison?

14 A I'm not sure that the word is "approved." I --
15 Mr. Kronenberger wrote a letter, I believe, to the
16 Washington County Commission that said he had delegated
17 the choice and he acknowledged that they had selected. I
18 need to review the letter to refresh my memory on that.

19 Q But again, you were correct that the -- of
20 course now that the testimony of Mr. Kronenberger is in
21 the record, I refer you to Page 25, Line 3. And again you
22 were present at this deposition of Mr. Kronenberger,
23 right?

24 A May I see it so I can look at Page 25, Line 3?

25 Q I think you should have one.

1 A It's not in front of me.

2 Q I think now we have 30 copies of this
3 deposition.

4 MR. STONE: Mr. Chairman, I'm not sure the point
5 of asking Mr. Weintritt whether or not he was present at
6 the deposition, whether or not he heard Mr. Kronenberger
7 say this. The transcript is part the record. It speaks
8 for itself.

9 MR. HASWELL: Mr. Chairman, on Page 12 of
10 Mr. Weintritt's direct testimony he says "First, as I have
11 previously stated, the customer (the Department of
12 Correction) did not select the service provider in this
13 case." Clearly he's trying to suggest that the Department
14 of Corrections had nothing to do with election of the
15 service provider.

16 MR. STONE: Mr. Chairman, I don't believe that's
17 a correct characterization of Mr. Weintritt's testimony,
18 in terms it had nothing to do with it. Mr. Weintritt has
19 already testified that he did understand they delegated
20 that responsibility to the county.

21 MR. HASWELL: That's the very issue --

22 CHAIRMAN DEASON: I'm going to cut this short.
23 I'm going to allow the question. I'm going to give you
24 the opportunity to explore this matter with this witness.
25 Please proceed.

1 Q (By Mr. Haswell) Referring to Line 3, on Page
2 25 of Mr. Kronenberger's deposition, the question was
3 asked: "And it is correct, then, that the Department of
4 Corrections has approved Gulf Coast Electric Cooperative
5 as the power supplier for this particular facility?"

6 Mr. Kronenberger answered: "That's correct."

7 With that testimony -- is that correct? You
8 remember him making that statement?

9 A I don't remember it specifically. I was out of
10 the room for a brief period, but I don't quarrel with it
11 if it's in this record.

12 Q Thank you, sir. If you'd give me a minute,
13 Mr. Chairman, I'm trying to see which questions I can
14 eliminate here that have already been asked. (Pause).

15 Getting to the rate differential, Mr. Weintritt,
16 I think part of your testimony addressed the issue of the
17 difference in rates?

18 A Yes.

19 Q And I believe you had initially -- or an exhibit
20 to your testimony shows a rate comparison. Do you know if
21 the estimated monthly bill listed on your Schedule 1, Page
22 3 of 5, of \$7,442.66 is still correct today?

23 A No, I believe it has changed.

24 Q Has the figure gone up or down?

25 A It's gone up.

1 Q Do you know what the figure is?

2 A I have a new comparison that was prepared a few
3 days ago, \$7,828.40 per month.

4 Q Is that the same figure y'all provided to the
5 Staff, or we exchanged that figure; we gave you Gulf
6 Coast's and -- I can't find my file right now. I'm
7 sorry.

8 MR. STONE: Let's go ahead and set the record
9 straight. You asked for us to provide you an update last
10 Friday. We did provide that. Staff did not ask for that
11 update. We'll be happy to provide it to Staff. I don't
12 believe we've provided it to Staff at this time. At the
13 same time you provided us an update from your side.

14 MR. HASWELL: Correct.

15 MS. BROWN: Mr. Chairman, we would like to see
16 that if we could.

17 CHAIRMAN DEASON: I believe we are going to have
18 some questions about it.

19 MR. STONE: Are you going to hand out both?

20 MR. HASWELL: I would like to show you a
21 document that says estimated --

22 CHAIRMAN DEASON: Mr. Haswell, you're going to
23 need to get to a microphone.

24 Q (By Mr. Haswell) Estimated Monthly Bills as of
25 10-1-94. Is that the breakdown of Gulf Power's monthly

1 bill that we exchanged?

2 A It's the same calculation I just referred to,
3 yes.

4 Q And in making that calculation, do you know if
5 all the discounts that you list in -- at the bottom,
6 there's three itemized discounts, those discounts apply to
7 each one of these charges -- you're confident that the
8 calculation was made based on the demand and energy usage
9 that was estimated?

10 A As I said, I'm not a rate person. This was
11 prepared by folks in our rate department who are experts
12 in that area. And I have no reason to doubt the
13 correctness of it.

14 MR. STONE: If I may also state for the record,
15 Mr. Chairman, the request for this information was not
16 made to Mr. Weintritt. It was made to me in the course of
17 the deposition of another individual. We agreed to
18 provide this calculation and we went to the people who
19 were responsible for this data to make sure that it was
20 done correctly. The exhibit that it essentially updates
21 was an exhibit that was attached to a letter that was sent
22 to the Department of Corrections in April of 1993.
23 Mr. Weintritt has sponsored that letter and all of its
24 attachments as an exhibit in this proceeding. As he
25 stated in his direct testimony --

1 MR. HASWELL: Are we testifying now or what's
2 going on?

3 CHAIRMAN DEASON: He's giving background
4 information which I'm finding it very useful. Please
5 continue.

6 MR. STONE: The comparison attached as an
7 exhibit to Mr. Weintritt's testimony was accurate as of
8 that time frame when it was given to the Department of
9 Corrections, and that was the basis for offering that
10 exhibit. This updated comparison does do it again on
11 today's rates, but it does not call into question the
12 comparison that was done in April of '93 as being accurate
13 in April of '93.

14 MR. HASWELL: I'm not suggesting that the --
15 that what Mr. Weintritt submitted with his direct
16 testimony when it was submitted was accurate. This just
17 goes to show, and following up on comments Mr. Weintritt
18 made is that rates change, and not only can they change
19 from one year to another, but they can change in just a
20 few months.

21 Q (By Mr. Haswell) Okay, Mr. Weintritt, does your
22 company ever refund money to its customers other than when
23 ordered to by the Public Service Commission?

24 MR. STONE: I'm sorry, could you tell me where
25 that is in the testimony?

1 MR. HASWELL: We're getting into rate
2 comparisons.

3 MR. STONE: Again, Mr. Chairman, the only rate
4 information Mr. Weintritt testified to on direct was that
5 he described the rate comparison that was attached to a
6 letter provided to the Department of Corrections in April
7 1993.

8 CHAIRMAN DEASON: And I understand that. And it
9 is a letter; it's part of his testimony. He may not have
10 done the calculations, but it is an exhibit attached to
11 the testimony. It addresses the subject of monthly bill
12 comparisons, and I think that the question goes to the --
13 to that comparison to whether it includes consideration of
14 all aspects of what constitutes a bill to customers. And
15 in that regard I'm going to allow the question.

16 WITNESS WEINTRITT: With respect to electric
17 bills, I'm unaware of any refunds by my company. There
18 have been some rebates for energy conservation devices and
19 appliances, but all of that was approved by the
20 Commission.

21 Q (By Mr. Haswell) Do you have any -- in your
22 rate comparison, or the rate comparison that you've seen
23 between the two utilities, you discount the capital credit
24 refunds that the Cooperative gives its members as of
25 having any real value?

1 A Do I discount them of having any real value?

2 Q Right.

3 A I didn't give any exhibits on capital credit one
4 way or another, but I think I would discount at least for
5 the time value of money any capital credit. To imply that
6 a capital credit earned this year is a direct reduction of
7 this year's bill, I don't believe is accurate.

8 Q And the point I'm simply trying to make is Gulf
9 Power doesn't refund money in any event, no matter what
10 the time frame is, unless they're ordered to by the
11 Commission?

12 A We don't have anything like patronage capital,
13 if that's what you're asking, no.

14 Q Are there other places in either South
15 Washington County or Bay County where the facilities of
16 these two utilities are as close together as they are here
17 on the intersection of 279 and 77?

18 MR. STONE: Mr. Chairman, I would object to this
19 question. Gulf Power Company raised as the area in
20 dispute the parcel of land that the Washington
21 Correctional Institute is located on at the intersection
22 of State Road 77 and County Road 279. Although there is
23 an issue with regard to whether or not the area of dispute
24 is broader than the area articulated in our complaint, we
25 object to that issue. We believe that the area in dispute

1 is only this area, and on that basis I would object to a
2 question that would seek to elicit information that goes
3 beyond the area in active dispute before the Commission.

4 MR. HASWELL: Mr. Chairman, I would think it
5 would be prudent and -- for the Commission to inquire into
6 these, and imprudent and unwise for a utility to say
7 they're not going to tell you whether there's any
8 facilities that may be located in the same fashion that
9 could lead to further territorial disputes.

10 CHAIRMAN DEASON: I understand that the
11 prehearing order allows this to be an issue and has
12 identified it as such, but obviously the Commission
13 retains the right to make a decision as to whether this --
14 the decision in this case will be limited to the subject
15 matter of the Washington Correctional facility.

16 Ms. Brown, is that your understanding of the
17 situation?

18 MS. BROWN: I'm not sure I understood exactly.
19 Could you repeat for me --

20 CHAIRMAN DEASON: I understand there's an issue
21 in the prehearing order.

22 MS. BROWN: Yes, Issue 1.

23 CHAIRMAN DEASON: But the Commission is not
24 obligated to expand the scope of this to look at that, and
25 the decision in this case may be simply to address the

1 territorial dispute as it relates specifically to the
2 Washington County Correctional facility.

3 MS. BROWN: Yes, Mr. Chairman. The way I viewed
4 it is that the question of what is the area in dispute is
5 an evidentiary question for you to decide on the basis of
6 the record produced before you today.

7 CHAIRMAN DEASON: Commissioner Clark, do you
8 have anything to add?

9 COMMISSIONER CLARK: The parties have two
10 different positions on the area in dispute, and therefore,
11 I thought it should be an issue and one the Commission
12 would want to -- but you are correct, Mr. Chairman, we may
13 decide that it is just this area. It's up to us to
14 decide. But having said that, I'm not sure that this was
15 covered by this witness, and therefore is not proper cross
16 examination. But I could be wrong.

17 MS. BROWN: Mr. Chairman, if I just might add,
18 it's Staff's position that this information would be
19 relevant to the determination that you would make on what
20 the area in dispute is.

21 MR. HASWELL: I can solve it. We'll move
22 along. I withdraw the question, and if you'll just give
23 me a minute or two, we'll see if we have anymore. Just a
24 few seconds. (Pause) No further questions at this time.

25 CHAIRMAN DEASON: Staff?

1 MS. BROWN: Mr. Chairman, if we could have five
2 minutes, we think we can cut out an awful lot of our
3 questions, or maybe ten.

4 CHAIRMAN DEASON: If you can cut out more
5 questions with ten. Okay, we'll take a ten-minute recess.

6 (Recess)

7 CHAIRMAN DEASON: Call the hearing back to
8 order. Ms. Brown?

9 CROSS EXAMINATION

10 BY MS. BROWN:

11 Q Mr. Weintritt, if you would look at your Map
12 No. 3 in the handouts that you provided. I understand
13 that that map shows facilities of Gulf Coast and Gulf
14 Power along Highway 279 and Highway 77 around the
15 correctional institute. Are there any other areas in
16 Washington or Bay Counties where Gulf Power Company's and
17 Gulf Coast's lines are that close together?

18 A Yes.

19 Q How many other areas? Can you give me an
20 estimate?

21 A I can talk about it maybe better than I can give
22 you a number. I mean north of this circle, along that
23 highway for a few miles.

24 Q The Highway 279?

25 A And 77. If you would like to call that two

1 areas. In Bay County, the only area where facilities
2 exist -- well, maybe two areas, is northeast of town and
3 on the east side where facilities exist in reasonably
4 close proximity, distribution facility.

5 Q Around Panama City?

6 A That's what I was referring to, on the generally
7 northeast, out Highway 231, some spots, not the whole
8 length of the highway. And then on the east side of town,
9 east of the small city known as Callaway.

10 Q Now, Mr. Haswell asked you -- and I'm actually
11 not sure how you answered it, and I just want to make
12 sure. He asked you if you agreed that there were at least
13 20 crossings of the utility's lines in Washington County.
14 Did you agree with that?

15 A I agreed that that could -- yes, 20 could be a
16 good number.

17 Q That's reasonable?

18 A Yes.

19 Q Okay. There was a fair amount of discussion
20 earlier this morning about the construction of the
21 distribution lines along 279 and Highway 77, primarily to
22 serve the Sunny Hills development in 1971, correct?

23 A Yes.

24 Q When those lines were constructed, did Gulf
25 Coast dispute their construction?

1 A I believe it was litigated in Washington County
2 court.

3 Q And do you know the outcome?

4 A The court ruled that Gulf Power could serve
5 Sunny Hills, or had not violated our contract. I'm not
6 sure of the legal language of the outcome.

7 Q Right. There was also some discussion -- hold
8 on just one second here. There was also some discussion
9 earlier about Leisure Lakes, and it was my
10 understanding -- and if you would confirm this for me, I
11 would appreciate it -- that Gulf Coast constructed the
12 Greenhead substation and a distribution line south on
13 Highway 77 to serve Leisure Lakes; is that correct -- I
14 mean Gulf Power?

15 A No, we -- Leisure Lakes development lies south
16 and west of the area on these maps. The Greenhead
17 substation is a couple of miles south of here. The line
18 from Greenhead substation west to Leisure Lakes, which has
19 been purchased by Gulf Coast Cooperative, connected the
20 substation to the subdivision. This line from this
21 intersection down to the substation served to connect the
22 Greenhead substation transformer capacity into this
23 distribution system.

24 Q Okay. The line indicated on your map as far
25 south as it goes on 77, is that line energized right now?

1 A Not today.

2 Q It is not energized?

3 A Not today.

4 Q What about the line that Gulf Coast purchased to
5 serve Leisure Lakes from the substation? Do you know
6 whether that --

7 A As far as I know, that's the supply to Leisure
8 Lakes development.

9 Q Now, along that line on Highway 77, that is not
10 electrified at the moment, does Gulf Coast have any
11 electric facilities that parallel that line?

12 A Yes.

13 Q What does Gulf Power plan to do with that line
14 that is not electrified at the moment?

15 A We don't have a plan today as to what to do to
16 it. As I said, up until we moved the transformer it was
17 needed. Now it does not serve the purpose of connecting
18 backup capacity to Vernon and Sunny Hills. We don't have
19 a schedule to remove it, don't have a plan to energize
20 it. It's just there.

21 Q And is it your understanding that it will never
22 be used to serve retail distribution customers off of it?

23 A I'm not sure I understand that. It's been
24 several years since Leisure Lakes order. I would have to
25 reread it, review it.

1 Q Would you like to see a copy of it? I have one
2 here and actually I would like the Commission to take
3 official notice of Order No. 13668 dated September 10th,
4 1984, In Re: Territorial Dispute Between Gulf Power
5 Company and Gulf Coast Electric Cooperative, Inc.

6 CHAIRMAN DEASON: The Commission will take
7 official recognition of its own orders.

8 Q (By Ms. Brown) Mr. Weintritt, I can direct your
9 attention to Page 8 of that order, the concluding
10 paragraph before the ordering paragraphs. If you wouldn't
11 mind reading the last sentence of that order, of that
12 paragraph starting with "However."

13 A I have read it.

14 Q Would you read it out loud please?

15 A "However, if Gulf Power keeps these facilities,
16 we shall prohibit it from picking up any retail customer
17 along the route of the facilities or along the route where
18 the facilities will be connected to Gulf Power's
19 transmission system."

20 Q Okay. Thanks. Now for just a minute I would
21 like to go to your direct testimony and pursue something
22 that you and Mr. Haswell talked about a little bit.
23 Really, starting on Page 3 of your testimony, down at Line
24 23, you say the only active controversy between the two
25 utilities is the specific area which we're dealing with

1 with respect to the correctional facility. And then you
2 go on, on Page 4 down through Line 11, to say that the
3 fact that there haven't been any disputes in nine years
4 indicates that the guidance the Commission has provided in
5 resolving past disputes has generally enabled both
6 utilities to properly extend service.

7 And at the top of Page 5 you call this a
8 system. You say, "Gulf Power believes that the
9 infrequency of the disputes between these utilities
10 demonstrates that the current system used to allocate
11 service territory works well." And Mr. Haswell asked you
12 what you meant by that. Could you expand upon that a
13 little bit? The word "system" concerns me here.

14 A We don't have a written procedure internal to
15 Gulf Power that says in a question you do these steps.
16 But evolving from previous disputes years ago, we
17 recognize the factors that were important to this
18 Commission in resolving those disputes. When there is a
19 questionable area, we -- you will have heard us before say
20 that we have an obligation to provide service, subject to
21 the rules of the Commission, so we don't tell anybody no
22 right off. If someone inquires, we investigate it.
23 Internally we consult with each other about those
24 factors -- natural boundaries, uneconomic duplication,
25 existing service, customer choice, and arrive at a

1 decision internally. We went through such a process in
2 this dispute when we saw this, and decided that uneconomic
3 duplication had occurred and filed the dispute. That's
4 the system that I refer to.

5 Q Now, when you say you discuss it internally,
6 internally within Gulf Power you mean, correct? Do you
7 call up Gulf Coast if you're uncertain about who should
8 serve?

9 A Not in every case. It has happened a couple of
10 times that we've discussed with the Cooperative.

11 Q It has?

12 A Yes.

13 Q All right. And you are aware that there is a
14 stipulated issue in this case that there is no formal
15 approved territorial agreement between these two
16 utilities?

17 A Yes.

18 Q Would Gulf Coast, in your opinion, feel that
19 this system had worked well over the past decades, at
20 least nine years?

21 MR. STONE: Mr. Chairman.

22 MS. BROWN: I'm happy to ask it of Gulf Coast.
23 It's all right. I withdraw the question.

24 Q (By Ms. Brown) Now, it's my understanding from
25 your testimony that it is your estimate that the Holmes

1 Correctional facility will have a projected load of 372
2 kilowatts and a projected energy usage of 163,450 kilowatt
3 hours per month; is that correct?

4 MR. STONE: May I ask for clarification?

5 MR. HASWELL: Washington or --

6 MS. BROWN: I'm sorry, I meant Washington County.

7 WITNESS WEINTRITT: No. At the time that was
8 done -- and this comes to my conversation with the
9 marketing representative that prepared this calculation.
10 He discussed it with Mr. Moran, the rate comparison with
11 Mr. Moran of the Department of Corrections. Mr. Moran
12 asked him to use the averages for the Holmes Correctional
13 facility to project Washington County. That's my
14 understanding of where these numbers came from.

15 Q (By Ms. Brown) So are they -- those averages,
16 in your opinion, reasonable projections for the Washington
17 County facility?

18 A I couldn't -- if the Department of Corrections'
19 representative we're dealing with said that the prisons
20 were going to be similar, I would think these numbers were
21 would be reasonable, yes.

22 Q Great. With those figures in mind, and with
23 this projected load in mind, what will be the incremental
24 capacity cost to Gulf Power to serve this load?

25 A Incremental capacity as in added generation, or

1 incremental distribution or --

2 Q The incremental generation needed to serve the
3 new load.

4 A You are really out of my area of expertise on --

5 Q Do you know who would know that?

6 A Mr. Pope could better address that than I can.

7 Q Okay, I'll ask him then. Mr. Weintritt,
8 Mr. Haswell asked you several questions about -- based on
9 information from Staff's interrogatories about the number
10 of metered customers you expected in the area. I just
11 have a -- one -- I think it's only one final question.
12 Well, a couple, but this one is: Do you expect the future
13 electrical requirements in the general vicinity of the
14 correctional facility to be primarily residential,
15 industrial or commercial, just generally?

16 A My opinion from being around this area for 15
17 years, I expect it to primarily be residential. I would
18 not be surprised if some small commercial didn't spring up
19 to service that residential.

20 Q Now, if Gulf Coast is permitted to provide
21 electric service to the correctional facility, will Gulf
22 Power Company receive any benefit from the fact that the
23 facility will be located in Washington County, even if it
24 isn't the one to provide the electric service?

25 A We'll accrue some peripheral benefit. I presume

1 that some of the people that work at that prison might
2 build a house in Sunny Hills. Some might not. And then
3 just the general prosperity of an area, anybody doing
4 business in that area will not be harmed by it any.

5 Q So your answer is a qualified yes?

6 A My answer is yes, we will receive some benefit.

7 MS. BROWN: We have no further questions.

8 CHAIRMAN DEASON: Commissioners, questions?

9 COMMISSIONER CLARK: Mr. Weintritt, on one of
10 your maps, could you tell me where Leisure Lakes is? It's
11 west of Highway 77?

12 WITNESS WEINTRITT: I could show you -- well,
13 the Florida road map is an awfully small scale, but --
14 let's see. If you continued south down Highway 77,
15 something over a mile, maybe a mile and a half, and then
16 turn west off the highway for two miles plus.

17 COMMISSIONER CLARK: Okay.

18 WITNESS WEINTRITT: On this scale it would be
19 down -- completely off this poster.

20 CHAIRMAN DEASON: Thank you. Redirect?

21 MR. STONE: If I may have a moment, Mr. Chairman?

22 CHAIRMAN DEASON: Surely.

23 REDIRECT EXAMINATION

24 BY MR. STONE:

25 Q Mr. Weintritt, you were asked some questions

1 by Ms. Brown and also by Mr. Haswell with regard to the
2 system, or the procedure, and there was some question
3 about whether or not -- you know, what we're trying to
4 describe by a system or a procedure whenever it comes to
5 deciding whether or not to have a territorial dispute.
6 Is it your understanding that that consultation that you
7 described is based on the guidance that Gulf Power
8 Company has received as a result of past Commission
9 decisions?

10 A Absolutely.

11 Q And in fact was that type of consideration done
12 in this case as a prelude or preface to filing the
13 complaint in this case?

14 A Yes, it was.

15 Q And the basis of filing that complaint, does
16 that relate to the construction of facilities that
17 parallel and duplicated three-phase facilities of Gulf
18 Power Company on Highway 279?

19 A Yes, the 4,000 feet of three-phase line on
20 Highway 279.

21 Q And that is the area that is depicted on
22 Map No. 4 as you used in your summary that is
23 south of Highway 279 and opposite the highway from the
24 blue line that represented our existing three-phase
25 lines?

1 A That's correct.

2 Q Prior to the construction of that three-phase --
3 4,000 feet of three-phase facilities on the south side of
4 Highway 279, did Gulf Coast Electric Cooperative have any
5 three-phase facilities going down Highway 279, or even
6 approaching Highway 279 from Highway 77?

7 A No, the only Gulf Coast three-phase facilities
8 in the entire area run along Highway 77.

9 Q And those three-phase facilities that run along
10 Highway 77, are they opposite the highway from the
11 facilities that Gulf Power has on Highway 77?

12 A Yes, they are.

13 Q And the three-phase facilities that Gulf Power
14 Company has, are they on the same side of the highway as
15 the Washington County Correctional Institute?

16 A On the same side of both highways.

17 Q So to provide three-phase service to the
18 correctional institute from any location, Gulf Coast
19 Electric Cooperative would have had to have crossed the
20 three-phase facilities of Gulf Power Company?

21 A That's correct.

22 Q The Department of Corrections requires
23 three-phase service; is that correct?

24 A That's correct.

25 Q So the single-phase service that had been down

1 to Red Sapp Road that was shown on Map No. 3 but has been
2 removed in order to allow space for the correctional
3 institute and therefore it does not appear on Map No. 4,
4 that single-phase service would not have been adequate to
5 provide permanent service to the Department of Corrections
6 for its main institution at that location?

7 A That's correct. It could not meet their
8 requirement.

9 Q You've been handed the Commission's order in the
10 Leisure Lakes dispute, and you were asked to read a
11 sentence. I realize you don't have a map that shows this,
12 but is it -- the 2.2 miles of distribution line in
13 question, is that the 2.2 miles of line from the
14 substation to Leisure Lakes that was in fact sold to the
15 Gulf Coast Electric Cooperative?

16 A Let me reread. (Pause) My understanding of
17 this paragraph is the 2.2 miles of distribution line is
18 that line from Greenhead substation west to Leisure Lakes
19 subdivision. That has been sold to the Cooperative.

20 Q So that would not be any length of line from the
21 Greenhead substation back up to interconnect with the
22 distribution system that serves Vernon and Sunny Hills?

23 A No, that distance is shorter than 2.2 miles.

24 Q The Greenhead substation, is it required that it
25 be connected with the distribution system at Vernon and

1 Sunny Hills had it been allowed to serve Leisure Lakes,
2 which I understand is a hypothetical because we were not
3 allowed to serve Leisure Lakes and in fact are not serving
4 it. But had Gulf Power been allowed to serve Leisure
5 Lakes, was that connection with the distribution system at
6 Sunny Hills and Vernon what energized the substation at
7 Greenhead and allowed it to serve Leisure Lakes?

8 A No, the transmission line energized the
9 substation and allowed it to serve Leisure Lakes.

10 Q So the connection that we're referring to down
11 Highway 77 had nothing to do with the service to Leisure
12 Lakes, as far as direct service?

13 A No, it did not. It connected the Greenhead
14 transformer capacity to the existing distribution system.

15 Q Now that connection to the existing distribution
16 system would have allowed the Greenhead substation to
17 provide backup to the Vernon area and to the Sunny Hills
18 area at 25 kV; is that correct?

19 A It allowed it and it served that purpose for
20 several years.

21 Q Would it also have allowed Sunny Hills
22 transformer to back up Greenhead service to Leisure Lakes
23 had we been allowed to serve Leisure Lakes?

24 A It would have served that purpose also.

25 Q But the fact that we sold the distribution line

1 from the Greenhead substation into Leisure Lakes meant
2 that there was no longer any need nor any ability to back
3 up service to Leisure Lakes?

4 A Not on our part, no.

5 Q With regard to the distribution system, the
6 Vernon and Sunny Hills combined distribution systems,
7 prior to May of 1983, was the Vernon distribution system a
8 12 kV system?

9 A Prior to May of 1993, the Vernon transformer was
10 12 kV. Part of the system had been converted to 25
11 already, by May of 1993.

12 Q I guess that refers to your -- you're talking
13 about it was a long-standing construction project to
14 convert the Vernon distribution system to a 25 kV system?

15 A That's correct. We began far south and west of
16 the substation at the far ends and worked our way back
17 toward the substation using auto transformers to convert
18 small bites of the system. One of the last things you do
19 in that natural progression is the substation itself.

20 Q Prior to the conversion of the substation itself
21 at Vernon, was Vernon used to back up from time to time
22 the distribution system at Sunny Hills?

23 A Regularly.

24 Q The transformer prior to that conversion was a
25 12 kV transformer?

1 A That's correct.

2 Q The transformer at Sunny Hills, is it a 25 or 12
3 kV transformer?

4 A It is 25 kV secondary.

5 Q Prior to the movement of the Greenhead
6 substation, or the transformer that was formerly located
7 at the Greenhead substation to the Vernon substation, were
8 there any other 25 kV systems other than Sunny Hills and
9 Greenhead?

10 A Those were the only two on Gulf's system.

11 Q Today, now that you have moved that transformer
12 to the Vernon substation, are there more than two 25 kV
13 systems -- distribution systems on Gulf's system?

14 A Those two are the only ones.

15 Q I believe that you mentioned on cross
16 examination that prior to the movement of the Greenhead
17 substation that there were actually three ways to provide
18 25 kV service to the area in dispute, that is the
19 Washington Correctional Institute.

20 A That's correct.

21 Q Would you -- I understand that one of those
22 three ways is the Sunny Hills distribution system
23 described in your direct testimony.

24 A Yes.

25 Q The second one would, I assume, be the Greenhead

1 substation by providing service up Highway 77 from a
2 different direction than the Sunny Hills substation as a
3 backup source to the area that now represents Washington
4 Correctional Institute?

5 A Yes.

6 Q Was there a third way to provide 25 kV service
7 into that area?

8 A From Vernon substation on Highway 279, not far
9 south of Vernon at a small site known as the Moss Hill
10 station, we had an auto transformer that coupled the
11 Vernon 12 kV to the Sunny Hills 25, stepped it up to 25
12 kV.

13 Q So I think you've answered any question then.
14 The issue I had was you had a 12 kV transformer at Vernon,
15 and I was trying to understand how a 12 kV transformer
16 provides 25 kV backup service to Sunny Hills. It's
17 through the use of an auto transformer?

18 A That's correct. We had a three-phase auto
19 transformer that allowed those lines to be paralleled and
20 connected together.

21 Q How does the switch that you've depicted on Map
22 No. 4 relate to that dual feed situation where you have 25
23 kV service coming from Sunny Hill or coming from Vernon?

24 A There are other switches located along the line
25 and there could be many more. They are not an expensive

1 item in the grand scheme of building systems. By
2 manipulating open and closed switches, the point that is
3 normally served from one substation or the other can be
4 moved along the system between the two up to the point
5 that we can completely remove either substation from
6 service and serve either Sunny Hills or Vernon from the
7 other direction entirely.

8 Q Has that in fact occurred in the past?

9 A It occurs regularly and routinely, yes.

10 Q When you talk about normally serve from one
11 substation or the other, could that be just a function of
12 which way the switch is thrown from any given day?

13 A It could be, yes.

14 Q Is there any necessity that after -- let's say
15 you had changed the switching, would you -- to allow you
16 to do some repairs, or whatever it is that requires you to
17 isolate the system. When those repairs are completed,
18 would you automatically change the switch back to the
19 original configuration, or would other operational
20 circumstances dictate that you might delay that switching?

21 A You might delay it depending on the urgency.
22 There are preferred open points due system configuration,
23 line losses and protection, but that open point can be
24 anywhere along that system. It would not be mandatory to
25 restore it immediately.

1 Q Reference was made to the Leisure Lakes
2 territorial dispute. Are you also familiar with another
3 territorial dispute involving Gulf Coast Electric
4 Cooperative on Highway 279 known as the Paradise Lakes
5 dispute?

6 A Yes, I am.

7 Q Do you recall which utility was awarded the
8 service in the Paradise Lakes area?

9 A Yes, I do. Gulf Power was awarded that service.

10 Q And the service that is provided to the Paradise
11 Lakes area, how is that -- what is the source of supply to
12 the Paradise Lakes area?

13 A Can I show you on the map where --

14 Q Please.

15 A Paradise Lakes subdivision is a couple of miles
16 north of this intersection along Highway 279 at a point
17 where Gulf Power and Gulf Coast had facilities in close
18 proximity. We served it, and the Cooperative disputed it,
19 and the Commission awarded it to Gulf Power.

20 Q The fact that you serve it off of that
21 three-phase service that comes down Highway 279 from the
22 Vernon substation, ultimately to the Sunny Hills
23 substation, does that indicate to you that the Commission
24 has approved the existence of Gulf Power in that area with
25 three-phase service?

1 A Yes, it does.

2 MR. STONE: Mr. Chairman, I do not have copies
3 to distribute at this time. I will be happy to make
4 copies later, but I would like for the Commission to take
5 official recognition of Order No. 16105. That is the
6 Commission's order in Docket No. 850247, and that is what
7 is commonly referred to as the Paradise Lakes decision.

8 CHAIRMAN DEASON: The Commission will take
9 recognition of its own orders.

10 Q (By Mr. Stone) You indicated on cross
11 examination that there was litigation in -- I guess you
12 referred to it as the Washington County Court. It may
13 have been circuit court; is that correct?

14 A It may have been.

15 Q But in any event, it was in the state judicial
16 system that that litigation took place; is that correct?

17 A That's correct.

18 Q And it is your understanding that in that
19 litigation, which related directly to Gulf's extension of
20 facilities into and serving the Sunny Hills area, that
21 Gulf, essentially, as a result of that litigation, its
22 right to be there was approved?

23 A That's my understanding, yes.

24 Q Has there also been another territorial dispute
25 in the Sunny Hills area that relates to the service that

1 Gulf Power provides out of the Sunny Hills area involving
2 any other cooperatives?

3 A Yes, there was a dispute north and east of the
4 Sunny Hills area in an area of dispute between --

5 MR. HASWELL: Mr. Chairman, I would object to
6 that question. It's totally irrelevant about a dispute
7 between Gulf Power and some other co-op. It's not in his
8 direct testimony anyway. It was not brought up on
9 anybody's cross or anybody's -- well, anybody's cross.

10 MR. STONE: Mr. Chairman, it appears as though
11 the line of questioning by Mr. Haswell has brought into
12 question whether or not Gulf Power Company has a right to
13 be on Highway 279, on Highway 77. And it is our
14 contention that these territorial disputes that we're
15 referring to have confirmed that right and that is the
16 basis for this line of questioning.

17 CHAIRMAN DEASON: I understand, but I believe
18 the specific area that you're getting into now is beyond
19 the scope of any cross examination, and I think it would
20 be inappropriate for redirect.

21 MR. STONE: May I have official recognition of
22 the Commission order in the Buckhorn Creek dispute?

23 CHAIRMAN DEASON: Yes. Can I have that order
24 number, please?

25 MR. STONE: I don't even have a copy of that

1 order right now, but I do have the order number. It is
2 15322, and the docket number was 850048.

3 Q (By Mr. Stone) Mr. Weintritt, with regard to an
4 outage along the distribution line, such as that between
5 the Vernon substation down Highway 279 to the intersection
6 of 279 and Highway 77 up to the Sunny Hills substation,
7 you had an outage on that distribution line. It's my
8 understanding of your testimony that it could be served
9 from either substation and that it's a matter of switching
10 in order to restore service?

11 A That's correct. That can be done.

12 Q In your experience as an engineer responsible
13 for the operation and maintenance of a distribution system
14 such as that in South Washington County, an outage on a
15 distribution line of the nature that you described, for
16 example by the automobile accident that you referred to
17 that you were aware of having occurred on 279, can you
18 operate a switch to restore service to at least a portion
19 of that line faster than you can repair the line,
20 generally speaking?

21 A In the event of damage of that extent, yes,
22 switching would be quicker than repair time.

23 Q Would it be appropriate under those
24 circumstances to, before manually operating that switch,
25 to patrol the line to ensure that there would be no harm

1 caused by energizing -- re-energizing the lines?

2 A It's common practice to locate the source of
3 trouble prior to switching to isolate and restore.

4 Q Would that also be a safety factor in terms of
5 making that kind of inspection prior to operating the
6 switch?

7 A Yes, it could be.

8 Q So the fact that it was a manual switch, do you
9 consider that to be a significant disadvantage, versus,
10 say, some sort of motor driven switch or remote operation,
11 on a distribution line?

12 A It takes longer than a motor driven switch would
13 be to simply open and close the switch, but given that
14 it's often necessary to decide which switch to open and
15 close, and then during the time that that decision is
16 taking place, people are driving to the work site, it
17 is -- it's not -- if you had to patrol the line before
18 you operated the switch and then operated the switch
19 remotely, you would not gain any time.

20 Q The upgrade to the Vernon substation and the
21 movement of the Greenhead transformer to Vernon was
22 primarily related to voltage problems south and west of
23 the town of Vernon; is that correct?

24 A That's what initiated the project, yes.

25 Q Did you have any voltage problems of the same

1 nature that the upgrade was designed to correct along the
2 line from the Vernon substation down Highway 279, back up
3 Highway 77 to the Sunny Hills substation?

4 A No.

5 Q So the problem that the upgrade at the Vernon
6 substation was designed to correct, did it have anything
7 to do with either quality of service or reliability of
8 service in the area depicted on your Map No. 4 inside the
9 green circle?

10 A No, it did not.

11 Q You were asked how many times Gulf Power crosses
12 the Co-op or the Co-op crosses Gulf Power in Washington
13 County. Is there any distinction between having
14 three-phase lines crossing single-phase lines versus
15 three-phase lines crossing three-phase lines, in terms of
16 duplication of facilities?

17 A Well, the distinction that leaps to my mind is
18 if the single-phase line was near a load that required
19 three-phase service, that single-phase line would be
20 unable to provide that service. And a three-phase
21 extension then would not be duplicating; it would be
22 exceeding the capability of the single phase.

23 Q That is not the case in this instance; is it?

24 A No, no, Gulf's lines that existed were and are
25 adequate to provide the DOC requirement.

1 Q With regard to the uneconomic duplication, are
2 you contending that the -- what you have described as a
3 service drop -- and for purposes of my question assume
4 that the service drop is the tap off of the three-phase
5 line, either from Gulf Coast on Highway 279, or Gulf Power
6 on 279. Are you contending that the service drop from
7 either company's three-phase line is the uneconomic
8 duplication?

9 A No, I am not. If either party or any
10 third-party that built to the points designated by the DOC
11 would install substantially the same facilities on the
12 property. The duplication occurs on Highway 279.

13 Q And that is the 4,000 feet of new facilities
14 that have been constructed from Highway 77 to a point --
15 well, 4,000 feet up Highway 279?

16 A That's correct.

17 Q On the opposite side of the highway from Gulf
18 Power's three-phase facility?

19 A That's correct.

20 Q You were asked several questions with regard to
21 the cost of providing service to temporary points of
22 service that -- I think there was reference made to an
23 interrogatory that was asked of the company, and it said,
24 assume that you have to provide -- essentially said,
25 assume you have to provide temporary service to these

1 points, and it asks for the costs. Is that how the
2 question was answered?

3 A The question was answered to provide service to
4 those points, period.

5 Q Is it your understanding in past construction
6 matters, such as that the Department of Corrections was
7 undertaking in this case, that the Department of
8 Corrections would dictate the location of temporary
9 service, or would there be some discussion back and forth
10 between the utility and the Department of Corrections and
11 its contractors with regard to the most economic way to
12 provide temporary service?

13 A I have direct experience with providing service
14 to the Holmes Correctional Institute recently and the
15 Department of Corrections project manager met with our
16 field engineer several times to discuss the arrangement of
17 temporary and permanent service. It was not dictatorial.
18 It was very much worked out in a mutual fashion.

19 Q So if instead of having selected Gulf Coast
20 Electric Cooperative to provide temporary service and
21 ultimately permanent service, if Gulf Power had been
22 selected to provide both the temporary service and
23 permanent service, would Gulf Power necessarily have
24 incurred the costs that were set forth on that
25 interrogatory that you've referred to by Mr. Haswell?

1 A Not necessarily the same cost, no.

2 Q Could they have been less?

3 A Could have been less, yes.

4 Q But that would have been something that would
5 have been worked out on a case-specific basis?

6 A It would have depended on the ultimate
7 arrangement that was worked out, yes.

8 Q Assume for the purposes of my question that I'm
9 about to ask you that there was an advantage for -- with
10 regard to the temporary construction service regarding the
11 Washington Correctional Institute by the fact that there
12 had been a single-phase service down Red Sapp Road.
13 Further assume that that single-phase service down Red
14 Sapp Road would not have been adequate to provide
15 permanent service to the Department of Corrections. Would
16 the advantage that I'm asking you to assume for purposes
17 of temporary service carry forward with regard to the
18 permanent service to the prison?

19 A No, it would not.

20 Q In fact, if this dispute is resolved today,
21 would there be any significant temporary service for Gulf
22 Power to install?

23 A Not to my knowledge.

24 Q And why is that?

25 A As far as I know, the temporary power

1 requirements have been met. The prison is almost
2 complete.

3 Q In other words, it's the permanent service that
4 now is relevant from this date forward?

5 A That's correct.

6 Q Do you recall the questions that were asked of
7 you about some interrogatories? And I'm referring to some
8 interrogatories that describe, first, the Sunny Hills area
9 and had some costs associated with it, and then there was
10 another interrogatory referred to subsequent to that that
11 was actually an earlier interrogatory in the set that was,
12 I believe, an area of five miles in radius. Do you recall
13 those questions?

14 A I recall them.

15 MR. STONE: At this point, Mr. Chairman, I
16 believe I characterized those interrogatory responses as
17 being embedded costs. I have since read them more
18 carefully and discovered that the cost numbers at the
19 bottom of those interrogatories were present day costs,
20 and I apologize for that misrepresentation in the record.

21 Do you have those interrogatories in front of
22 you, Mr. Weintritt?

23 WITNESS WEINTRITT: In a minute.

24 MR. STONE: If we could take just a few minutes
25 while he's getting those interrogatories, I believe I can

1 wrap up my redirect by eliminating some questions.

2 CHAIRMAN DEASON: We'll go ahead and take ten
3 minutes at this time.

4 (Recess)

5 CHAIRMAN DEASON: Call the hearing back to
6 order. Mr. Stone, I take it that you're close to
7 finishing the redirect?

8 MR. STONE: Very close. I have just maybe one
9 or two -- can I say a couple of questions?

10 CHAIRMAN DEASON: When you finish -- the reason
11 I ask is that when you finish your redirect we're going to
12 take an assessment as to where we stand in this hearing
13 and the remaining time requirements.

14 MR. STONE: I feel like it's only going to be
15 two questions that relate to two sets of interrogatories
16 that were referred to earlier. I don't know if they were
17 handed out, and I would like to have them handed out and
18 marked as exhibits, because I think they need to be in
19 their whole context, not just the pieces that were
20 referred to in questions. So at this time I would like to
21 hand out and have marked for identification Gulf's
22 Response to Staff's Second Set of Interrogatories, Item
23 No. 11 and Gulf's Responses to Second Set of
24 Interrogatories, Items 6 and 8.

25 MR. HASWELL: Why don't we just file them all?

1 I think we've already given the Commission a complete set
2 of these.

3 CHAIRMAN DEASON: Wait. Just -- Mr. Stone, go
4 ahead and proceed. I mean, he's free to ask whatever
5 interrogatories he wants in the record and I'm going to
6 give him that latitude. (Pause)

7 MR. STONE: May we have these marked?

8 CHAIRMAN DEASON: Yes. The Item No. 11 will be
9 identified as Exhibit No. 3 and Items 6 and 8 will be
10 identified as No. 4.

11 MR. STONE: Thank you, Mr. Chairman. By way of
12 clarification, those three interrogatories were referred
13 to to some degree in the course of questions, and I just
14 felt it would be appropriate to have the entire
15 interrogatory in the record. That is the reason for the
16 identification of those particular -- those three
17 exhibits.

18 (Exhibit Nos. 3 and 4 marked for
19 identification.)

20 Q (By Mr. Stone) Mr. Weintritt, I refer you to
21 the responses to Items 6 and 8 which have been identified
22 as Exhibit 4 in this proceeding. In particular, I would
23 like you to turn to the last page of Item No. 8.

24 A Okay.

25 Q Reference was made to the number of metered

1 services as shown on that page; is that correct?

2 A Yes.

3 Q And also to that investment number at the bottom
4 of the page?

5 A Yes.

6 Q Now, as I believe I clarified earlier, the
7 response to this interrogatory was actually to provide the
8 total estimated present cost to install the facilities
9 requested or identified in the question that is being
10 answered in this response; is that correct?

11 A That's correct.

12 Q Turning to the first page of Item 8, what is the
13 question that is being asked?

14 A The question is: What is the value of the
15 facilities with -- excuse me, Item 8?

16 Q Item No. 8, that is in your stack, turning one
17 page toward the front. You can leave it to me to always
18 do things backwards and I apologize. The question itself
19 relates to the Sunny Hills subdivision; is that correct?

20 A Yes, it does.

21 Q Does the substation at Sunny Hills, does it
22 serve more than just the Sunny Hills subdivision?

23 A Yes, it does.

24 Q So if you were to take the simple calculation
25 that Mr. Haswell was trying to get you to do, that is

1 rather arbitrary to limit it to the meters within the
2 Sunny Hills subdivision; is that correct, in calculating a
3 cost per customer?

4 A That's correct.

5 Q And again, this is not the cost that was
6 actually spent by the Company to provide service to those
7 330 customers in Sunny Hills. That cost would be somewhat
8 different based on when it was installed, how much
9 depreciation and whatnot; is that correct?

10 A That's correct. It would depend on the age
11 primarily.

12 Q Looking at interrogatory --

13 MR. HASWELL: I need to make an objection. If
14 Mr. Stone is going to have a few more questions, fine.
15 But he's doing is the testifying and asking if that's
16 correct. Those are called leading questions. He's not
17 supposed to be leading his own witness.

18 CHAIRMAN DEASON: Mr. Stone, please keep that in
19 mind.

20 Q (By Mr. Stone) I will rephrase my questions. I
21 will try and tie this up with less than two questions.

22 Interrogatory No. 6. What area was asked about
23 in that interrogatory?

24 A This area asks about a five-mile radius around
25 the correctional facility.

1 Q Would that include the Sunny Hills substation?

2 A The Sunny Hills substation lies within that
3 boundary.

4 Q And does the Sunny Hills substation provide
5 service even further beyond the five-mile radius --
6 further than the boundaries of the five-mile radius around
7 the area in dispute?

8 A Considerably farther than that, yes.

9 Q Would the number of customers ultimately served
10 by the Sunny Hills substation be far in excess of the
11 numbers identified both in the response to Item No. 6 and
12 in the response to Item No. 8?

13 A That depends on where that open point is, but,
14 yes, it can be well in excess of these numbers.

15 MR. STONE: I have no further questions.

16 MS. BROWN: Mr. Chairman, with your permission I
17 would like to ask one clarifying question and have another
18 interrogatory marked for identification.

19 CHAIRMAN DEASON: Okay, please proceed. Let me
20 ask you this, was it something that was done on redirect
21 you need to have clarified?

22 MS. BROWN: Yes, it is. It is. It regards the
23 Greenhead substation. It will just take a second.

24 CHAIRMAN DEASON: Please proceed

25

1 RE CROSS EXAMINATION

2 BY MS. BROWN:

3 Q Mr. Weintritt, I'm handing out to you Item
4 No. 15 from Staff's Second Set of Interrogatories that I
5 understand were prepared under your supervision; is that
6 correct?

7 A Yes, they were.

8 CHAIRMAN DEASON: Do you wish to have this
9 identified?

10 MS. BROWN: Yes.

11 CHAIRMAN DEASON: It will be identified as
12 Exhibit No. 5.

13 (Exhibit No. 5 marked for identification.)

14 Q (By Ms. Brown) Have you had a chance to read
15 that question and the response?

16 A Yes, I have.

17 Q Is it your understanding that this response is
18 correct, that Gulf Power did construct Greenhead
19 substation in anticipation of serving the Leisure Lakes
20 area?

21 A That was a major reason why it was located where
22 it was, yes.

23 Q All right, thank you. No further questions.

24 CHAIRMAN DEASON: Exhibits?

25 MR. STONE: Mr. Chairman, I would move admission

1 of exhibit --

2 MR. HASWELL: May we have some recross if we
3 would be allowed to do so, based on the redirect questions
4 and the questions from Staff?

5 CHAIRMAN DEASON: Well, I'm going to give you
6 some latitude like I did to Staff. If it was a matter
7 that was raised on redirect that you did not have the
8 opportunity to respond to before, but my patience is
9 growing a little bit thin, and I'm going to ask you to do
10 it quickly, and if when I give you this opportunity, I'm
11 also going to give the opportunity to Mr. Stone to conduct
12 further reredirect. We're going to have to draw this to
13 an end some time. I ask you to please be brief.

14 MR. HASWELL: Yes, sir, I will be.

15 RECROSS EXAMINATION

16 BY MR. HASWELL:

17 Q Mr. Weintritt, I want to make it clear I
18 understood you. There was a question brought up by
19 Mr. Stone about where that 2.2 miles of line is. If
20 you'll refer to your Map No. 3, and I think you're saying
21 that 2.2 miles of line that you thought the order referred
22 to about not serving retail customers was from the line on
23 77 back to Leisure Lakes; is that correct? Or am I
24 misunderstanding that?

25 A I believe that's the segment of line from the

1 substation site westerly toward the subdivision, Leisure
2 Lakes.

3 Q And so you don't think that order applies to the
4 segment that you show on Map No. 3, your blue line running
5 up to the intersection of 77 and 279? (Pause)

6 A I don't believe this paragraph describes that
7 segment of line clearly that connected Greenhead
8 substation to the existing distribution system.

9 Q And the black line that you show as the
10 Cooperative's -- excuse me, the black line that -- I'm
11 sorry, the red line that you show on Map No. 4, which
12 crosses over your blue line, right there at the
13 intersection of 79 -- excuse me, 77 and 279, that crossing
14 itself is -- crosses a section of Gulf Power's line that
15 went down to the Greenhead substation; is that right?

16 A It crosses the very first span of that line.

17 Q And that's the line that you said is
18 de-energized right now?

19 A At this time it's de-energized, yes.

20 Q It doesn't serve any -- I think you said in
21 response to one of my prior questions it doesn't serve any
22 useful purpose right now?

23 A Not at present.

24 Q I would like to call your attention to the last
25 paragraph of that order that Mr. Stone referred to, and

1 please note that it's -- you can either read it or maybe
2 it would be faster if I read it. "Ordered that Gulf Power
3 Company is prohibited from serving any new retail
4 customers along the route of the facilities built to serve
5 Leisure Lakes or along the route by which these facilities
6 will be connected to Gulf Power's transmission system."

7 A I've read it.

8 Q Okay. Does that mean that if a customer applied
9 for service right off of 77 between the Leisure Lakes and
10 279 that you would not serve them from that facility?

11 A That means I would ask for clarification on
12 which segment of line this applies to.

13 Q Mr. Stone also asked you about some other
14 disputes, and I think you got into the system for
15 resolving the disputes. Are you aware of a dispute over a
16 double-wide trailer that's Alliance Realty on 77?

17 A I'm not aware of a dispute over it, no.

18 Q You're not aware of your service to that?

19 A I am aware we served it, yes.

20 Q Do you know whether you had to cross any of Gulf
21 Coast's lines to serve it?

22 A I believe we did.

23 Q And that's because the customer asked you for
24 service?

25 A That is the sales office for a new subdivision,

1 it is my understanding. And yes, the customer requested
2 service from us.

3 Q So is it fair to say that the system that you're
4 referring to, which is not in writing, is the system by
5 which a customer requests service and you provide it if
6 they ask it?

7 A No, that's not what I said.

8 Q But in that case with this Alliance Realty,
9 isn't that the way it worked?

10 A No. We evaluated the situation with respect to
11 previous Commission decisions, which utility was located
12 where, the overall cost of providing the service.

13 Q Well, this Alliance Realty case was this year,
14 wasn't it?

15 A It's recent. I'm not sure it's this year. It
16 could be this year.

17 Q I guess what puzzles me is we're talking about
18 uneconomic duplication and crossing each others' lines.
19 If someone asked you to do that which causes you to cross
20 the line, unless there's an objection, you'll do it?

21 MR. STONE: Mr. Chairman, there's an objection
22 to the question. The objection is that he's going well
23 beyond the scope of our redirect examination. This is
24 clearly a subject that he had the opportunity to and did
25 in fact pursue on his cross examination.

1 CHAIRMAN DEASON: I believe he's correct,
2 Mr. Haswell. I'm going to ask you to move on to a
3 different subject, or else conclude your --

4 MR. HASWELL: Just briefly, he did start off his
5 redirect by asking him about the system. But I'm through
6 with that.

7 Q (By Mr. Haswell) Mr. Stone also asked you about
8 the internal cost of serving the prison and asked you if
9 it could have been less, and you said yes. Could it have
10 been more?

11 A It's possible, yes.

12 Q And on any of your maps that you've shown as
13 visual aids, have you shown any other services,
14 particularly the Map No. 3, do you show any services off
15 of the Red Sapp Road line to the area of Lake McDaniel, or
16 McDaniel Pond?

17 A No, we did not.

18 Q Do you know if any existed there at the time you
19 were depicting these facilities?

20 A I believe one did.

21 Q So that's missing from this map too?

22 A As I said, this was not intended to be a
23 detailed to scale drawing. It's not all inclusive of
24 every -- both sides' facility.

25 MR. HASWELL: That's it, Mr. Chairman.

1 CHAIRMAN DEASON: Exhibits?

2 MR. STONE: I would move admission of exhibits
3 3, 4 and 5 into the record.

4 CHAIRMAN DEASON: Without objection.

5 MR. STONE: I'm sorry, 2, 3, 4 and 5.

6 MS. BROWN: Staff will move Exhibit 5.

7 MR. STONE: And I would stipulate, I'm sorry.

8 CHAIRMAN DEASON: Is there any objection to the
9 admittance of Exhibits 2, 3, 4 and 5? Hearing no
10 objection, Exhibits 2, 3, 4 and 5 are admitted.

11 (Exhibit Nos. 2, 3, 4 and 5 received into
12 evidence.)

13 MR. STONE: Mr. Chairman, do you know -- would
14 it be appropriate to ask if Mr. Floyd is now prepared to
15 stipulate the admission of Exhibit 1 so that we can remove
16 that confusion from the record?

17 CHAIRMAN DEASON: I'll inquire. Has any
18 determination been made concerning Exhibit No. 1? You
19 need to press your microphone, please.

20 MR. FLOYD: I'm sorry. Mr. Chairman, I have
21 really not had an opportunity to go over this at the
22 length that I would like to have been involved in these
23 proceedings today. I would like to be able to do it by
24 tomorrow morning, if possible.

25 CHAIRMAN DEASON: That's understandable. We'll

1 address it tomorrow morning. And speaking of tomorrow,
2 now is a good time to try to make an assessment of our
3 time requirements. It is almost 4:00 on the first day of
4 a two-day hearing and we have completed one witness, and
5 if you want to consider the testimony that was stricken, I
6 guess in some sense we have finished two witnesses, but we
7 have much more ground to cover and I need to have an
8 understanding or some feedback as to what the time
9 requirements are going to be to conclude this hearing.

10 MR. HASWELL: Mr. Chairman, I believe this
11 concludes Gulf Power's case in chief and Gulf Coast now
12 puts on its case in chief, and I guess that would depend,
13 just like theirs did, on cross examination of our
14 witnesses. We have the four witnesses, Mr. Gordon --

15 CHAIRMAN DEASON: Let me ask Mr. Stone, how much
16 cross examination is anticipated for the four Gulf Coast
17 witnesses on direct?

18 MR. STONE: Mr. Chairman, I would defer that to
19 co-counsel who would have a better idea of the questions
20 they would be asking.

21 MS. LILES: Mr. Chairman, I'll be cross
22 examining Mr. Gordon and Mr. Dykes. I do not estimate it
23 taking an extremely long period of time. It's always
24 difficult to tell, but I believe that I can be through
25 with Mr. Gordon within an hour, hour and a half, and

1 depending on the results of that cross examination, may
2 have no questions for Mr. Dykes. So I believe we can move
3 our part of the next two witnesses along quite quickly, or
4 relatively quickly, I should say.

5 CHAIRMAN DEASON: Mr. Cresse.

6 MR. CRESSE: Mr. Chairman, I think it would take
7 approximately two hours for Mr. Parish and Mr. Norris.

8 CHAIRMAN DEASON: Not two hours each?

9 MR. CRESSE: No, sir, in total. I would not
10 like to estimate exactly how much for each one, though,
11 but two hours in total for both.

12 CHAIRMAN DEASON: And then that brings us to
13 rebuttal. And -- I'm sorry, Staff, I apologize, I did not
14 mean to --

15 MS. BROWN: That's all right, Mr. Chairman. If
16 our cross examination of Mr. Weintritt is any indication,
17 we probably will not have a lot, probably everything will
18 be covered. We have most cross for Mr. Norris, some for
19 Mr. Gordon, a little bit for Mr. Dykes and none for
20 Mr. Parish. I wouldn't anticipate more than 45 minutes
21 for all of ours.

22 CHAIRMAN DEASON: So in rough round numbers,
23 looks like we're looking at about four hours of cross
24 examination for the Gulf Coast direct witnesses.

25 Now we can address the rebuttal. We have four

1 witnesses appearing on rebuttal. Mr. Haswell?

2 MR. HASWELL: I will be handling Mr. Weintritt
3 on rebuttal. I doubt it will be a -- since we've covered
4 an awful lot of it, which blends over in both of them,
5 probably not more than 30 minutes.

6 MR. FLOYD: I would say that there would be on
7 the -- Mr. Howell and Mr. Pope, a total of 45 minutes
8 combined, and that with respect to Mr. Hodges, an hour.

9 CHAIRMAN DEASON: Okay, that -- it looks like we
10 reasonably can finish tomorrow. I was trying to make an
11 assessment as to whether we needed to work late this
12 evening. I don't think it's going to be necessary, if we
13 can stick to these time schedules. I understand there
14 needs to be some flexibility there, that these are just
15 estimates at this point, but it may -- if things slow
16 down, I'll just put everyone on notice we may be working
17 late tomorrow evening. And -- because it is the
18 Commission's intent to finish this hearing in the allotted
19 days. And with that, we can proceed to the next witness.
20 Thank you, Mr. Weintritt.

21 (Witness Weintritt excused.)

22 * * *

23 (Transcript continued in sequence in Volume 2.)

24

25