

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
FILE 1994

In re: Petition to Resolve)
territorial dispute with Gulf) Docket No. [REDACTED]
Coast Electric Cooperative, Inc.) Filed: Nov. 22, 1994
by Gulf Power Company.)
_____)

GULF POWER COMPANY'S POST-HEARING SUMMARY OF POSITIONS

ISSUE 1: What is the geographical description of the disputed area?

*SUMMARY OF GULF'S POSITION:

The disputed area is the area described in Gulf Power's Petition, that is, the site of the Washington County Correctional Facility, near the intersection of Highways 77 and 279 in south Washington County. The Commission should not exercise its jurisdiction over other geographical areas not currently in dispute.

ISSUE 2: What is the expected customer load, energy, and population growth in the disputed area?

*SUMMARY OF GULF'S POSITION:

The expected customer load, energy and population growth in the disputed area as identified in Gulf's position on Issue 1 is not expected to be significant. Gulf Power has more than adequate reserve capacity to serve any such growth.

ISSUE 3: Which utility has historically served the disputed area?

*SUMMARY OF GULF'S POSITION:

Neither utility has historically served the WCCI site. Gulf Power has served Washington County since 1926, and has had three-phase distribution facilities in place adjacent to the disputed area since 1971. Before 1981, all electrical service in Washington County was provided by Gulf Power either at wholesale or retail.

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FPSC-RECORDS/REPORTING

ISSUE 4: What is the location, purpose, type and capacity of each utility's facilities existing prior to construction of facilities built specifically to serve the correctional facility?

***SUMMARY OF GULF'S POSITION:**

Gulf Power's existing generation, transmission and distribution facilities adjacent to the disputed area were capable of providing reliable service to the facility with no additions. The Coop was required to construct a new three-phase line along Highway 279 specifically to serve the facility.

ISSUE 5: What additional facilities would each party have to construct in order to provide service to the correctional facility?

***SUMMARY OF GULF'S POSITION:**

Gulf Power would not have to construct lines or add any generation, transmission, or distribution capacity, to provide the facility with three-phase electric service. The Coop had to construct approximately 4,000 feet of three-phase line along Highway 279, parallel to Gulf Power's existing line to serve the facility.

ISSUE 6: Is each utility capable of providing adequate and reliable electric service to the disputed area?

***SUMMARY OF GULF'S POSITION:**

Yes. However, Gulf Power has better capability to provide adequate and reliable service due to its excellent history of transmission and distribution reliability, and dual feed capability from the Vernon and Sunny Hills substations.

ISSUE 7: What would be the cost to each utility to provide electric service to the correctional facility?

***SUMMARY OF GULF'S POSITION:**

Gulf Power's total cost of providing electrical service to the facility would be approximately \$53,000. Gulf Power estimates that the Coop's total cost to serve the facility would be more than \$180,000.

ISSUE 8: What would be the effect on each utility's ratepayers if it were not permitted to serve the existing facility?

***SUMMARY OF GULF'S POSITION:**

Gulf's ratepayers would continue to incur the cost of existing facilities sufficient to serve the correctional facility, while the DOC will pay higher costs to WCCI due to the Coop's higher rates and, along with the Coop's remaining ratepayers, must absorb the additional costs of duplicating Gulf Power's existing facilities.

ISSUE 9: Which party is capable of providing electric service to the correctional facility site at the lowest rate to the Department of Corrections?

***SUMMARY OF GULF'S POSITION:**

Gulf Power's rates are lower than the Coop's under all scenarios. The Coop's attempt to reduce this differential by deducting a "patronage capital credit" is not realistic. The so-called "credit" will not actually be returned to the Department for 14 years, without interest and has no significant current value.

ISSUE 10: What is the customer preference for electric service to the correctional facility?

***SUMMARY OF GULF'S POSITION:**

The Department of Corrections' policy is to select the low cost provider, all things being equal. Mr. Kronenberger's support for Washington County's selection of the Coop was not based on informed reasoning given his belief that "patronage capital" constituted a current discount to the Coop's rates.

ISSUE 11: Does unnecessary and uneconomic duplication of electric facilities exist in the disputed area?

***SUMMARY OF GULF'S POSITION:**

Yes. The Coop duplicated Gulf Power's existing facilities by constructing a new three-phase line parallel to and across the highway from Gulf Power's three-phase distribution line which has been in place along Highway 279 since 1971.

STIPULATED

ISSUE 12: Do the parties have a formal territorial agreement that covers the disputed area?

***POSITION:**

No.

ISSUE 13: Which party should be permitted to serve the disputed area? What conditions, if any, should accompany the commission's decision?

***SUMMARY OF GULF'S POSITION:**

Gulf Power Company should be permitted to serve the disputed area. Gulf Power has reliable and adequate facilities in place to provide the required service at a lower cost to the customer than the Coop.

ISSUE 14: Should this docket be closed?

***SUMMARY OF GULF'S POSITION:**

Yes.

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In re: Petition to Resolve)	
territorial dispute with Gulf)	Docket No. 930885-EU
Coast Electric Cooperative, Inc.)	Filed: Nov. 22, 1994
by Gulf Power Company.)	
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CERTIFICATE OF SERVICE


I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or U.S. Mail the 22nd day of November, 1994, to the following:

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