Gulf Power Company 500 Bayfront Parkway Post Office Box 1151 Pensacola, FL (\$2520-073) Telephone 904 (444-6231

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Susan D. Cranmer Assistant Secretary and Assistant Treasurer

the southern electric system



October 15, 1996

Ms. Blanca S. Bayo, Director Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. 930885-EU

Enclosed for official filing is the original exhibit of William C. Weintritt labeled WCW-1. His testimony contains 8 $1/2'' \times 11''$ copies of these maps, but they are too small to read. The attached maps are the official record copy.

Sincerely,

Jusan D. Channe

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cc: Beggs and Lane Jeffrey A. Stone, Esquire

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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DOCKET NO. 930885-EU

PREPARED DIRECT TESTIMONY AND EXHIBIT OF

WILLIAM C. WEINTRITT

OCTOBER 15, 1996



| 1 | | GULF POWER COMPANY |
|----------|----|---|
| 2 | | Before the Florida Public Service Commission Direct Testimony of |
| 3 | | William C. Weintritt Docket No. 930885-EU |
| 4 | | Date of Filing: October 15, 1996 |
| 5 | | |
| 6 | Q. | What is your name? |
| 7 | Α. | William C. Weintritt |
| 8 | | |
| 9 | Q. | What is your business address? |
| 10 | Α. | My business address is 1230 East 15th Street, Panama |
| 11 | | City, Florida, 32402. |
| 12 | | |
| 13 | Q. | What is your area of responsibility? |
| 14 | Α. | I am the Power Delivery Manager for the Panama City |
| 15 | | District of Gulf Power Company (Gulf Power). |
| 16 | | |
| 17 | Q. | What is the purpose of your testimony? |
| 18 | Α. | The purpose of my testimony is to show that for nearly 50 |
| 19 | | years the previous method used to determine whether Gulf |
| 20 | | Power or Gulf Coast Electric Cooperative (GCEC) would |
| 21 | | provide service to customers in Northwest Florida has |
| 22 | | worked well. I will demonstrate that with this method |
| 23 | | few territorial disputes have been referred to the |
| 24 | | Florida Public Service Commission (FPSC) for resolution |
| 25 | | in the past 25 years. I will also show that this |

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previous method allowed more customer choice without the 1 uneconomic duplication of facilities than would have been 2 provided with territorial boundary lines. Finally, I 3 will discuss revised guidelines set forth in the form of 4 a Territorial Policy Statement that add a procedure to 5 this previous method which would provide an incentive to 6 reduce or eliminate the need to bring a territorial 7 dispute before the FPSC. These revised guidelines could 8 be used if the FPSC determines the present method of 9 deciding which utility should serve new customers in the 10 identified area is inadequate. 11

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Do you have exhibits attached to your testimony? **Q**. 13 Yes, I have five exhibits. My first exhibit (WCW-1) is a 14 Α. set of maps depicting the area identified by FPSC staff 15 in this docket as having facilities of Gulf Power and 16 GCEC in close proximity (identified maps). As I will 17 discuss later in my testimony, we believe that the area 18 of close proximity (identified area) is actually a 19 portion of each map. My second exhibit (WCW-2) is the 20 Rural Utilities Service Form 7, Part H, Page 4 for year 21 end December 31, 1994 as filed by GCEC. My third exhibit 22 (WCW-3) is the Gulf Power Company Contract For Electric 23 Service Resale By Gulf Coast Electric Cooperative, Inc. 24 dated December 1, 1947. My fourth exhibit (WCW-4) is 25

paragraph 14 of the FERC Electric tariff dated June 15, 1 My fifth exhibit (WCW-5) is the GCEC Resolution 2 1979. terminating service from Gulf Power, June 1, 1981. 3 Counsel: We ask that Mr. Weintritt's five Exhibits 4 be marked as Exhibits No. through 5 respectively. (WCW-1, WCW-2, 6 WCW-3, WCW-4, WCW-5) 7 8 Q. What are the areas in South Washington and Bay Counties 9 where the electric facilities of Gulf Power and Gulf are 10 in close proximity? 11 12 Α. Gulf Power maintains maps of its transmission and distribution facilities plotted on the State of Florida 13 coordinated grid. The distribution facilities of GCEC 14 15 have been added to these grid coordinated maps. Each map typically encompasses a rectangular area 12,000 feet by 16 8,000 feet. The following maps have been identified by 17 the FPSC staff as having facilities belonging to each 18 utility in close proximity with each other (identified 19 maps): map numbers 2218NE, 2218NW, 2218SE, 2218SW, 2220, 20 2221, 2320, 2321, 2322, 2518, 2519, 2618, 2533, 2534, 21 2632, 2633, 2634, 2639, 2731, 2733, 2828NW, 2828SW, 22 2828NE, 2828SE, 2830NE, 2830NW, 2830SW. I agree that in 23 24 the places on these maps where one utility's facilities are within 1,000 feet of the other utility's facilities 25

that they are within close proximity with each other.
For purposes of my testimony, I will refer to the
portions of the maps in Exhibit WCW-1 where each utility
has facilities within 1,000 feet of facilities belonging
to the other as "the identified areas."

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Q. What are the areas in South Washington and Bay Counties
where further duplication of electric facilities is
likely to occur?

A. The identified areas of the maps in WCW-1 are the areas
of closest proximity between Gulf Power and GCEC
facilities. Although some further duplication of
facilities may occur on these maps, further uneconomic
duplication can be easily avoided by methods I will
discuss later in my testimony.

16

What is the expected customer load, energy and population 17 Q. growth in the areas identified by FPSC Staff as having 18 facilities of Gulf Power and GCEC in close proximity? 19 The expected customer load, energy and population growth 20 Α. in the full portions of South Washington and Bay Counties 21 shown on the maps that are identified as WCW-1 are as 22 follows: 23

24

25

| 1 | YEAR | CUSTOMER LOAD | ENERGY | CUSTOMERS |
|----|---------------|---------------------|--------------------|--------------|
| 2 | | (KW) * | (KWH) * | (*) |
| 3 | 1995 | 15,495 | 28,819,654 | 1,371 |
| 4 | 1996 | 15,818 | 32,712,628 | 1,438 |
| 5 | 1997 | 17,112 | 35,269,973 | 1,511 |
| 6 | 1998 | 18,946 | 41,093,598 | 1,588 |
| 7 | 1999 | 20,219 | 43,700,186 | 1,668 |
| 8 | 2000 | 21,759 | 46,881,912 | 1,753 |
| 9 | * All value: | s given are determ | ined by the custor | ners |
| 10 | presently | served by Gulf Pov | ver with the expec | ted growth |
| 11 | assuming r | no change in the me | ethod of determini | ng customers |
| 12 | affiliatio | on. | | |
| 13 | | | | |
| 14 | Q. What is th | e location, purpos | se, type and capac | ity of Gulf |
| 15 | Power's fa | cilities in the id | lentified areas? | |
| 16 | A. The identi | fied areas in Sout | th Washington Coun | ty are |
| 17 | served by | two separate Gulf | Power substations | . Sunny |
| 18 | Hills Subs | tation is a 12 MV | A, 115KV to 25KV s | ubstation |
| 19 | located so | outh of Gap Pond ir | n Sunny Hills, Flo | orida. |
| 20 | Vernon Sub | station is a 11.5 | MVA, 115KV to 25K | V substation |
| 21 | located so | outh of Vernon, Flo | orida. From each | of these |
| 22 | substation | s, 25KV feeders pr | covide the preferr | ed and back |
| 23 | up sources | for reliable serv | vice to the identi | fied area. |
| 24 | Local over | head and undergrou | and distribution 1 | ines, and |
| 25 | transforme | rs provide service | to our customers | as shown on |

د ر the following Florida grid coordinated maps: map numbers
 2218NE, 2218NW, 2218SE, 2218SW, 2220, 2221, 2320, 2321,
 2322, 2518, 2519, and 2618.

4 The identified areas in Bay County are served by Gulf 5 Power's Bay County Substation. Bay County Substation is a 13.75 MVA, 115KV to 12.47KV substation located in Bay 6 7 Industrial Park, off Highway 231, north of Panama City, 8 Florida. A 12.47KV feeder from Bay County Substation 9 provides the preferred source of feed with another 10 12.47KV feeder from Highland City Substation providing 11 the back-up source of feed. Local overhead and 12 underground distribution lines and transformers provide 13 service to our customers as shown on the following grid 14 coordinated maps: map numbers 2533, 2534, 2632, 2633, 15 2634, 2639, 2731, 2733, 2828NW, 2828SW, 2828NE, 2828SE, 2830NE, 2830NW, and 2830SW. 16

17

18 Q. How does the distribution reliability of Gulf Power19 compare with that of GCEC?

A. The distribution reliability of Gulf Power is much better
than that of GCEC. The average minutes of service
interruption time for each customer over the 5 year
period from 1990 to 1994 in Gulf Power's Eastern
Districts is 50.8 minutes per year. According to
information filed by GCEC on its Rural Utilities Service

1 Form 7, Part H, page 4 (Exhibit No. WCW-2), the average 2 minutes of service interruption time for this time period 3 for each GCEC customer is 95.4 minutes per year. Therefore, this basic measure of service reliability 4 5 shows that GCEC customers on average experienced 88% more 6 distribution outage time than Gulf Power customers. Since 7 this outage history is over a 5 year period of time, it 8 demonstrates that Gulf Power service reliability is 9 consistently much greater than GCEC's service 10 reliability.

11

12 Q. What guidelines have Gulf Power and GCEC utilized in the 13 past to determine which party would construct facilities 14 to serve customers?

The terms in contracts and tariffs between Gulf Power and 15 Α. 16 GCEC remained virtually unchanged from the December 1, 17 1947 Gulf Power Company Contract For Electric Service For 18 Resale by Gulf Coast Electric Cooperative (Exhibit No. WCW-3) until the FERC Electric Tariff (paragraph 14, 19 Exhibit No. WCW-4) was terminated by GCEC Resolution 20 21 (Exhibit No. WCW-5) effective June 1, 1981. These 22 contracts and tariffs utilized two tenths of a mile or 1000 feet from existing facilities adequate to serve the 23 24 new customer's load as a guideline to determine which 25 party would serve a customer located in the identified

Close proximity, as defined by Gulf Power in this 1 area. 2 testimony, means both utilities being within 1,000 feet of each other with facilities adequate to serve the load. 3 4 5 What are the basic provisions of paragraph 14 of the FERC Q. Tariff (Exhibit No. WCW-4)? 6 7 Α. The basic provisions of this FERC Tariff are as follows: 8 1) Unnecessary duplication of facilities would be avoided. 9 10 2) Neither party would furnish electrical service to 11 a premise which is receiving electrical service from the other party. 12 3) If one party is within 1000 feet (500 feet within 13 14 corporate limits) with adequate facilities to serve a new 15 customer and the other is not, then the party that is within 1000 feet will provide the service. 16 17 4) If neither or both parties are within 1000 feet (500 feet within corporate limits) with adequate 18 19 facilities, then customer choice will determine which 20 party will provide the service. 5) For loads greater than 300 KVA, customer choice 21 22 will determine which party will provide the service. 23 How successful has Gulf Power's use of the guidelines in 24 Q. 25 the FERC Tariff been in resolving potential conflicts

without the need to involve the FPSC in a territorial
 dispute?

Gulf Power's use of these guidelines has been very 3 Α. successful in eliminating the need for the FPSC to 4 resolve territorial disputes. In fact, until Gulf Power 5 filed its complaint in this docket over three years ago, 6 it had been eight years since the last time either 7 utility had initiated litigation to resolve a territorial 8 dispute against the other. Indeed, no complaint has been 9 filed since the petition Gulf Power filed that initiated 10 this docket. To the best of my knowledge, there is no 11 active dispute pending between the two utilities 12 regarding which utility should serve a particular 13 customer requesting service. This is proof that these 14 FERC guidelines along with guidance the FPSC has provided 15 in resolving past disputes have generally enabled both 16 utilities to properly extend electric service to new 17 customers while satisfying the State legislative 18 directive to avoid the uneconomic duplication of 19 facilities as provided in the statute granting the 20 Commission jurisdiction over territorial disputes. 21

22 Over the past 25 years there have been only seven 23 territorial disputes between Gulf Power and GCEC, 24 including this case. To put this history in proper 25 perspective, it is important to note the timing of the

various disputes. The first litigated dispute in this 1 period of time between these two utilities was initiated 2 by GCEC in March, 1971, before the FPSC was given 3 jurisdiction over territorial disputes by the 4 legislature. More than ten years passed before the 5 second dispute was filed, again by GCEC, in April, 1981. 6 This second dispute was the first before the FPSC. The 7 next four disputes between Gulf Power and GCEC were filed 8 by one party or the other between March, 1983 and June, 9 1985, a period of 27 months. As I pointed out earlier, 10 the dispute which resulted in this docket came before the 11 FPSC eight years after the last previous dispute was 12 initiated by GCEC in June, 1985. During this time 13 period, both utilities have added thousands of other 14 customers without disputes. 15

16 Gulf Power believes that the infrequency of the 17 disputes between these utilities demonstrates that the 18 current system used to allocate service territory works 19 well.

20

Q. What are the basic advantages of utilizing guidelines
such as the terms of the FERC tariff instead of drawing
boundary lines to determine service territories?
A. Utilizing guidelines with provisions such as this FERC
tariff allows for the least cost expansion of both

parties in serving unserved areas without the uneconomic 1 duplication of facilities. Since every expansion of 2 3 either party's facilities defines a new relationship 4 between the two parties, these guidelines provide much 5 greater flexibility over time than a fixed boundary line 6 which becomes outdated each time a new distribution line 7 is constructed. The guidelines also allow customer 8 choice where both or neither utility has adequate 9 facilities within 1000 feet of the premise to be served 10 or the customer's load is greater than 300 KVA or the 11 closer utility's facilities are not adequate to serve the 12 load.

13 It is not in the customer's or Gulf Power's best 14 interest to predetermine all future power supplier 15 decisions regardless of the load based on the present 16 location of each party's existing distribution facilities 17 and without regard for the adequacy of those facilities. 18 Use of guidelines instead of predetermined territorial 19 boundary lines allows customers to make better power 20 supplier decisions at the time service is needed. Such a 21 solution provides the greatest customer choice and flexibility to meet future economic conditions while 22 23 offering the utilities the greatest incentives to maintain reliable service at the lowest cost to the 24 25 customer.

Q. Does Gulf Power have a proposed set of revised guidelines
 that it recommends for use in resolving which party would
 serve new customers locating in the identified area?
 A. Yes, Mr. Holland's Exhibit No. GEH-2 is a proposed set of
 revised guidelines which would determine which Company
 would provide service to new customers in the identified
 area.

8

9 Q. What is the advantage of utilizing these revised10 guidelines?

11 Α. These revised guidelines offer all the advantages 12 previously described for the FERC Tariff plus they 13 prohibit the extension of distribution lines to serve 14 future speculative growth. These revised guidelines also 15 offer a method to resolve disputes in that they require 16 the utilities to meet and discuss potential disputes. 17 Mediation by the FPSC Staff would be used if the 18 utilities could not agree on their own. Although it 19 would still be possible to have a dispute come before the 20 FPSC for resolution, the revised guidelines use the 21 potential award of attorney's fees to the prevailing 22 party as an incentive to reach agreement short of 23 contested litigation.

If the FPSC determines that the present system is inadequate even though it has proven to be very effective

| 1 | | in providing the maximum customer choice consistent with |
|----|----|--|
| 2 | | avoiding the uneconomic duplication of facilities, these |
| 3 | | revised guidelines offer a better solution than |
| 4 | | territorial boundary lines to determine which utility |
| 5 | | should provide services to new customers in the |
| 6 | | identified area. |
| 7 | | |
| 8 | Q. | Does this conclude you testimony? |
| 9 | Α. | Yes, it does. |
| 10 | | |
| 11 | | |
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AFFIDAVIT

STATE OF FLORIDA)) COUNTY OF ESCAMBIA) Docket No. 930885-EU

Before me the undersigned authority, personally appeared William C. Weintriitt who being first duly sworn, deposes, and says that he is the Power Delivery Manager for Gulf Power Company, a Maine corporation, that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.

William C. Weintritt Power Delivery Manager

Sworn to and subscribed before me this ______ day of ________,

1996.

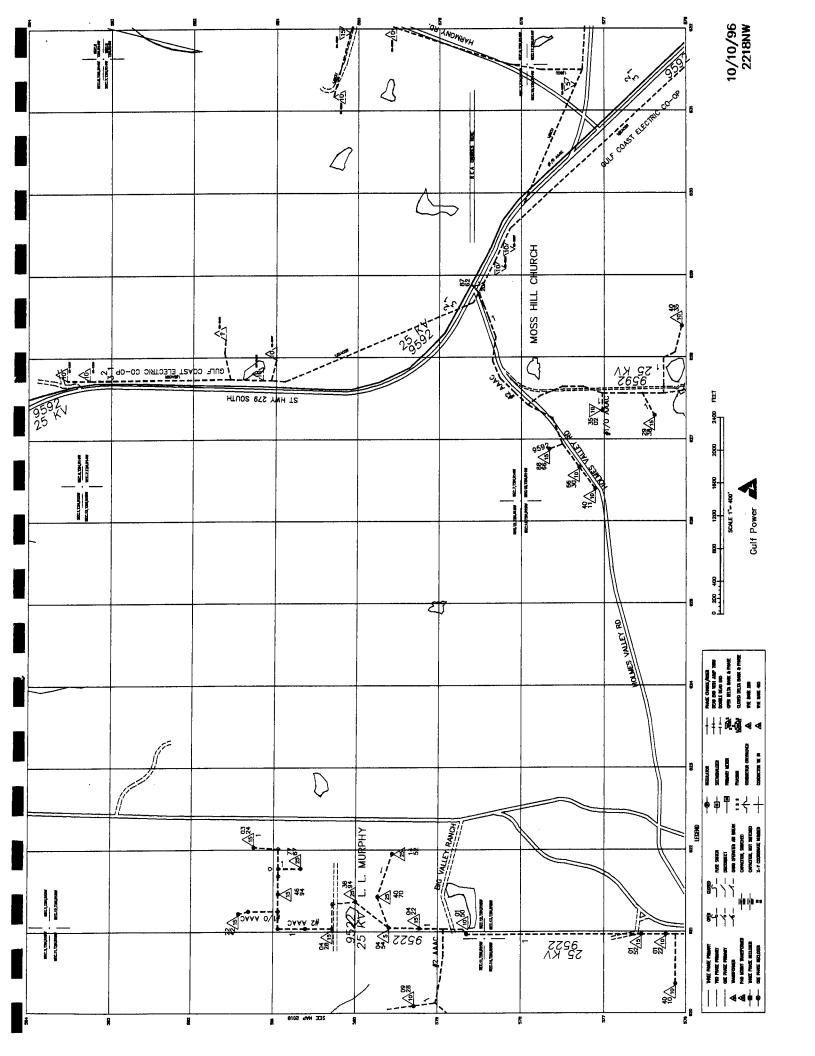
a C. Weld-

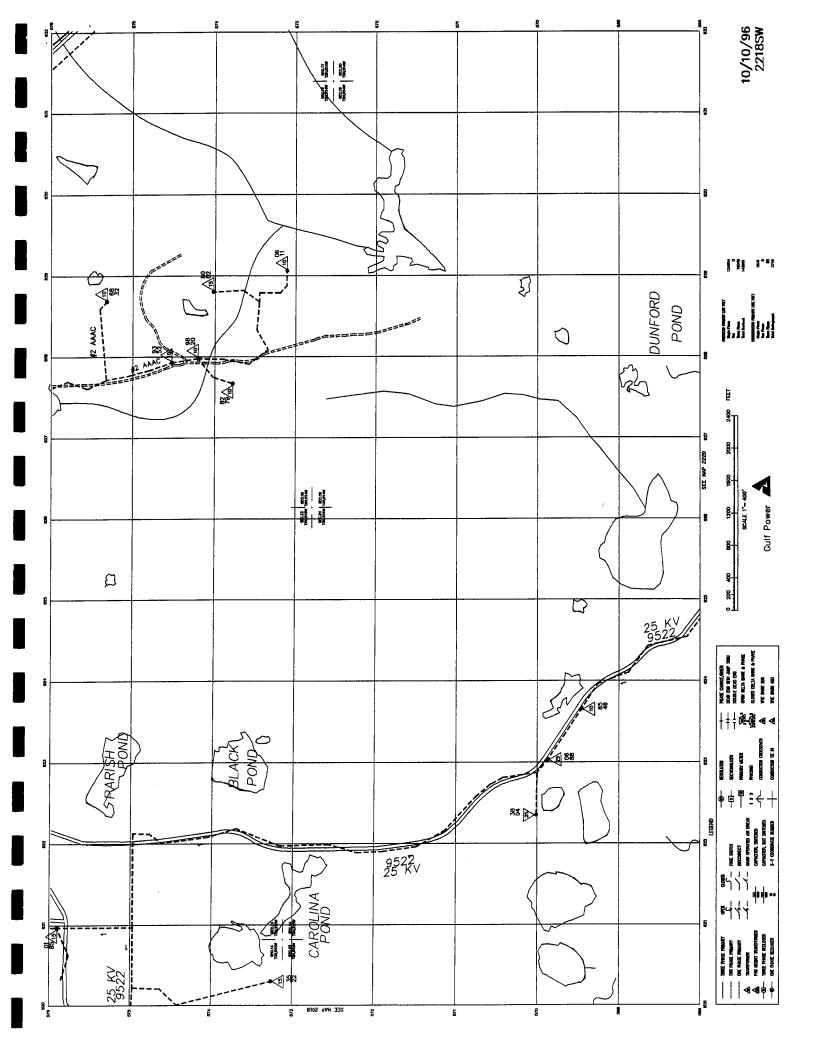
Notary Public, State of Florida at Large

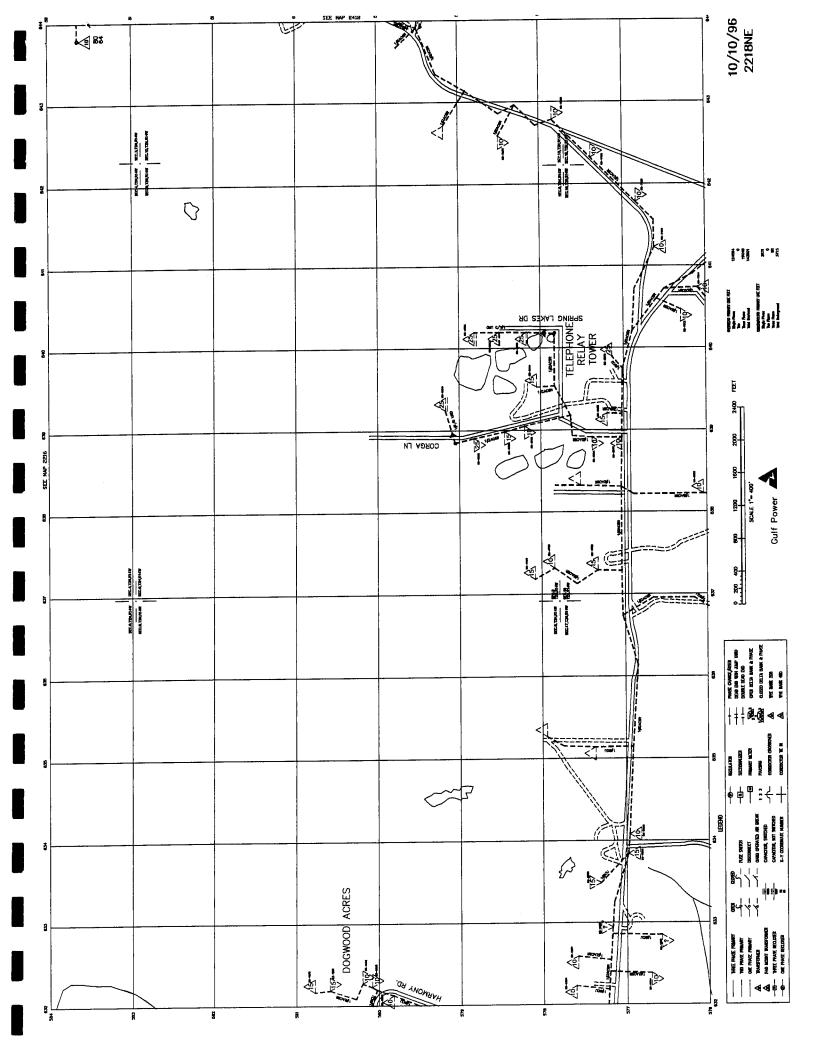


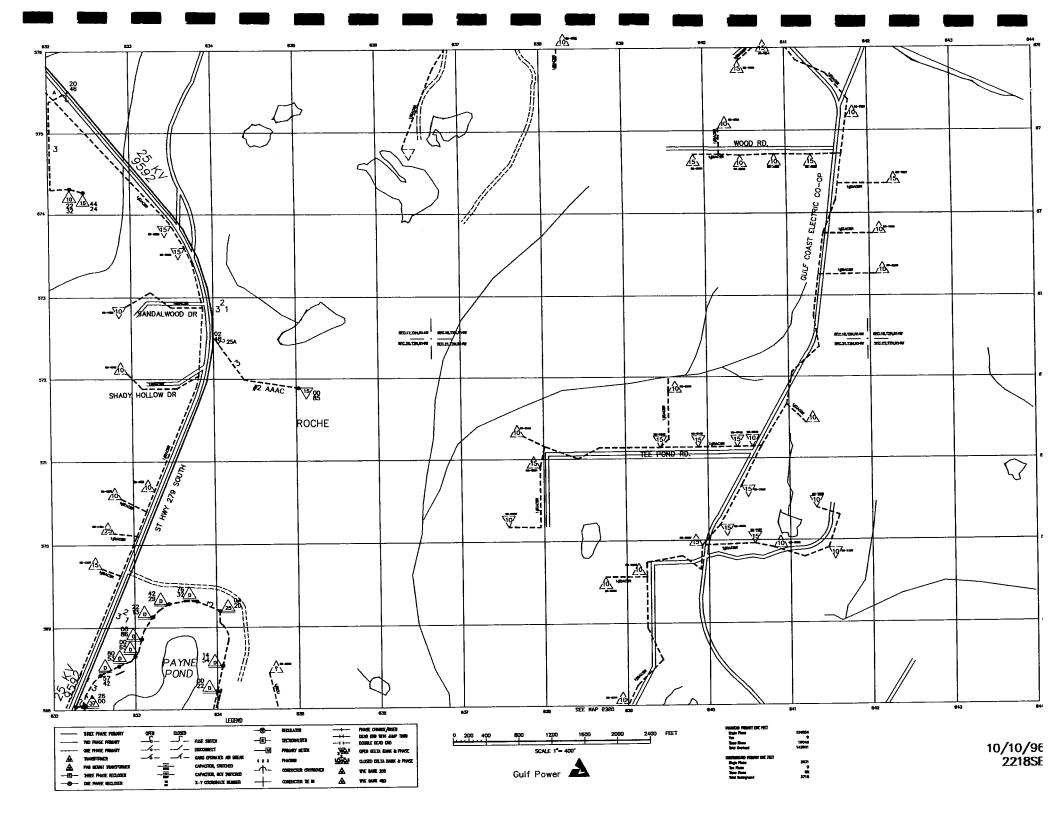
Exhibit No. ____ (WCW-1) Page 1 of 1

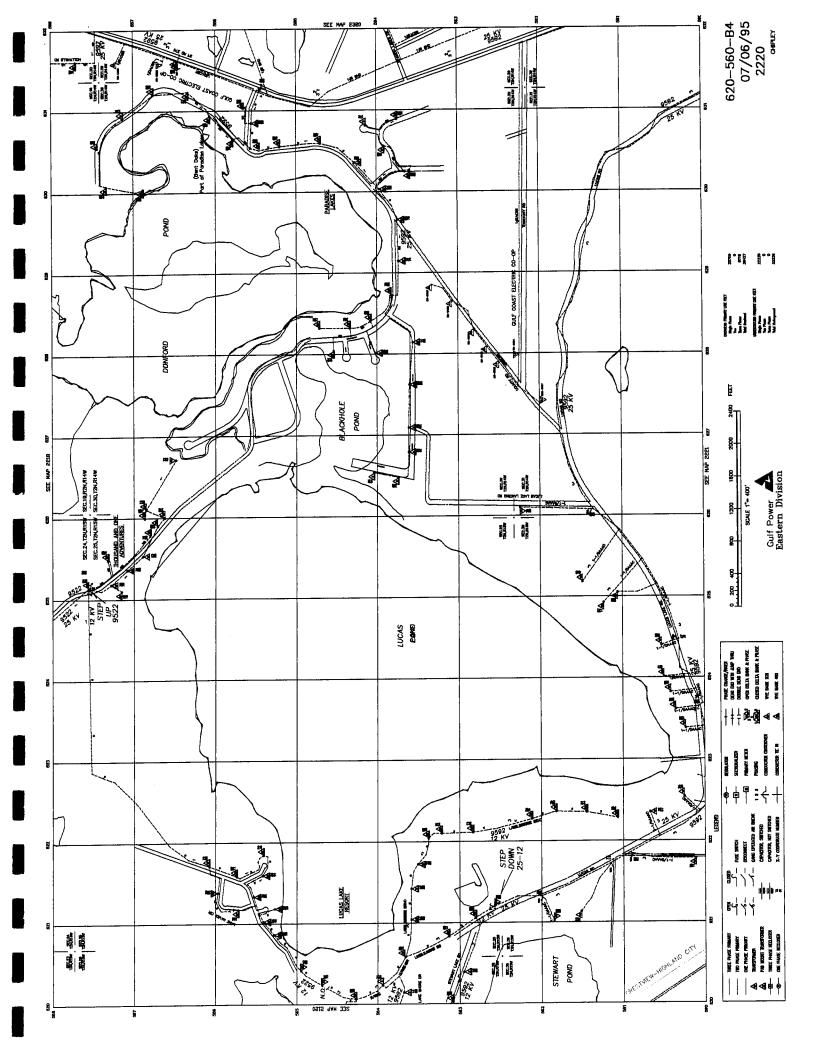
This exhibit consists of 27 individual color maps generated on Gulf Power's AutoCAD system which have been provided under separate cover to the Director of the Division of Records and Reporting. The dimensions of each full size map is approximately 23" x 36". A reduced copy of each map is attached to this cover sheet.

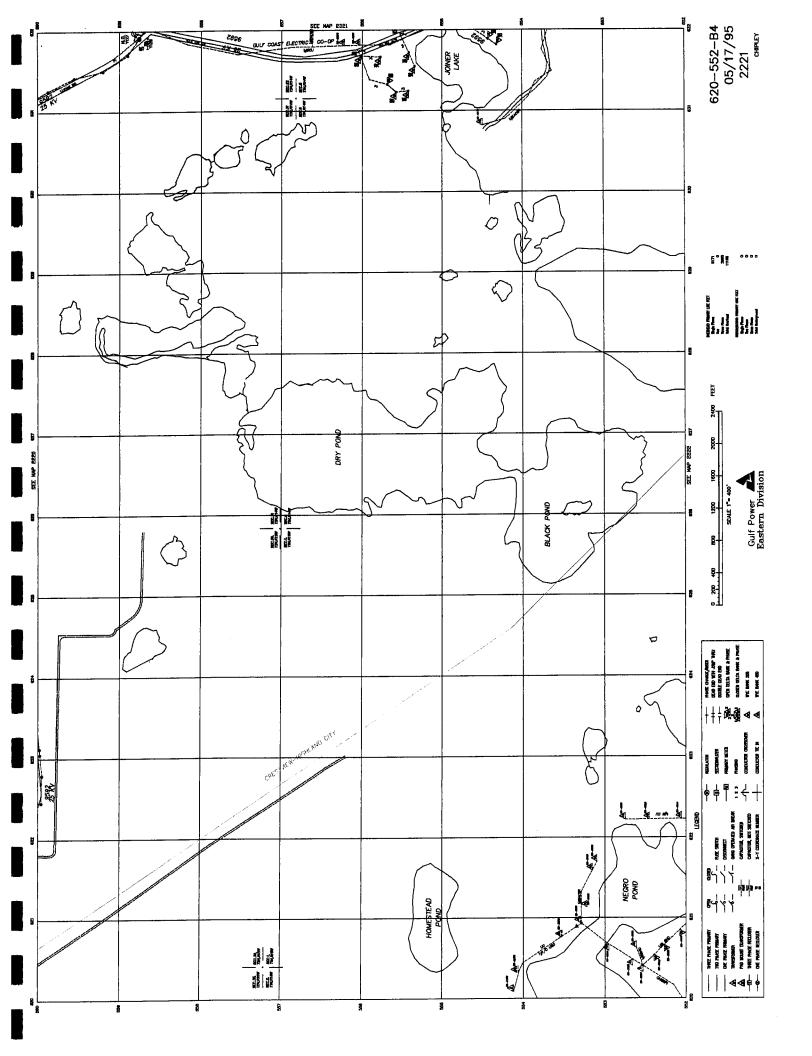


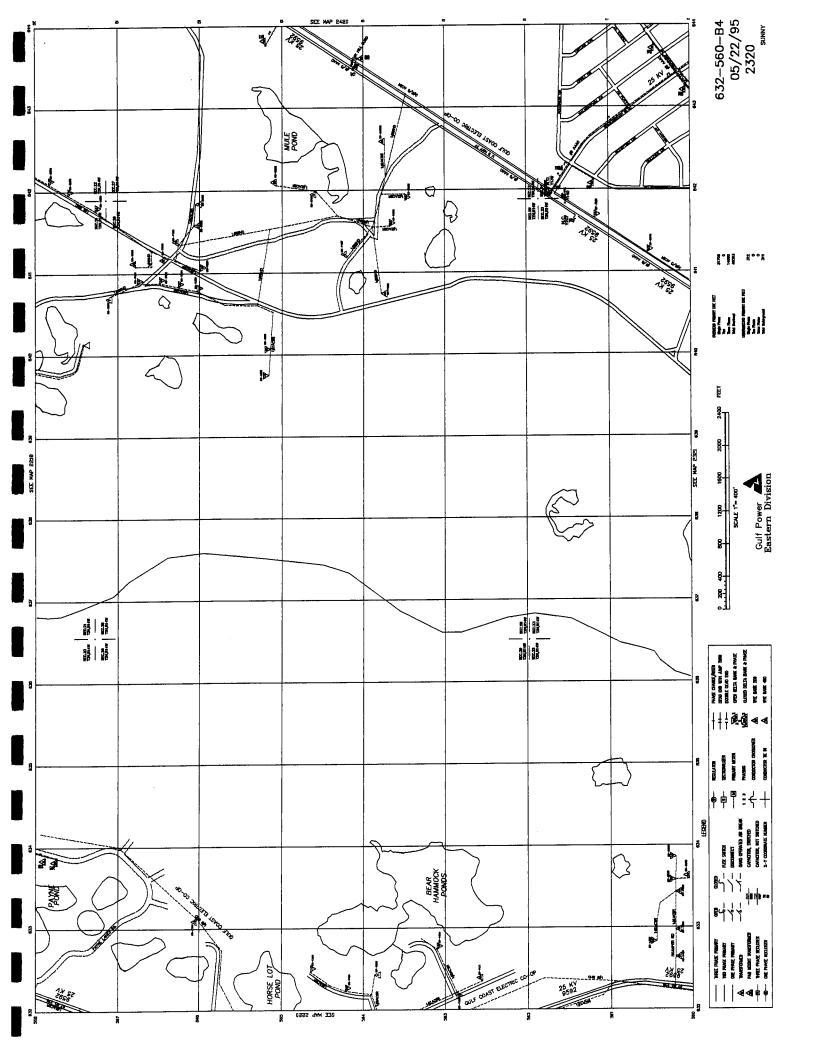


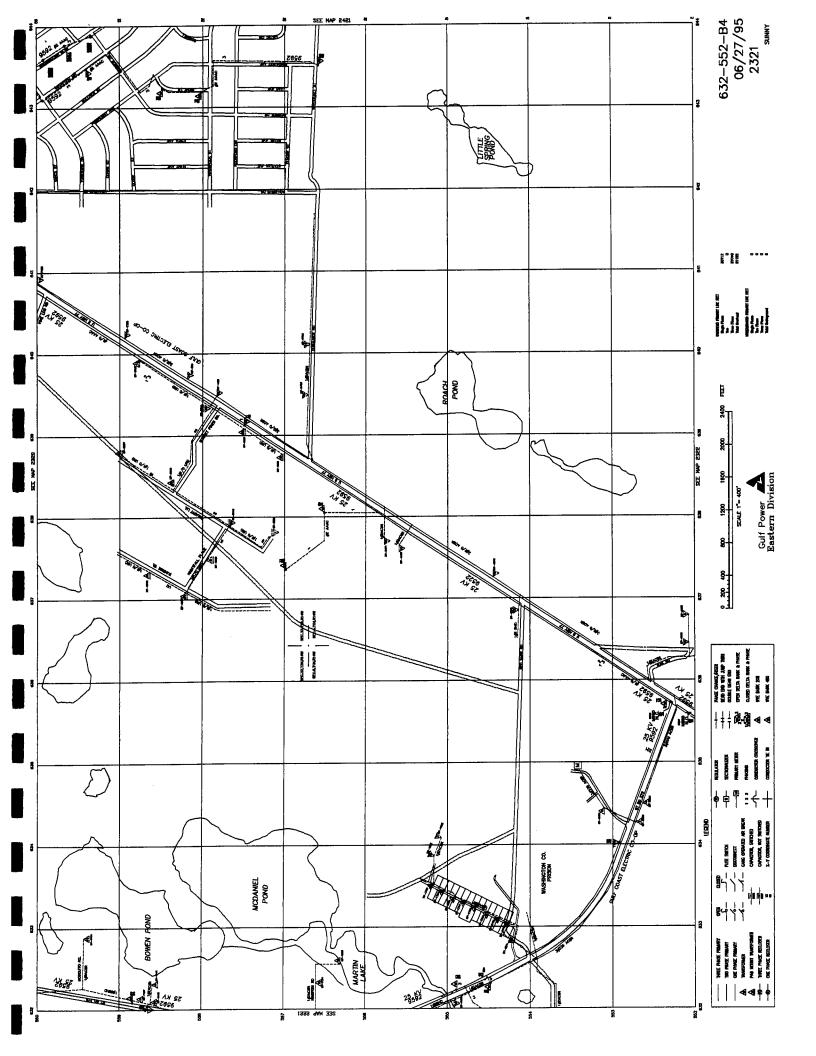


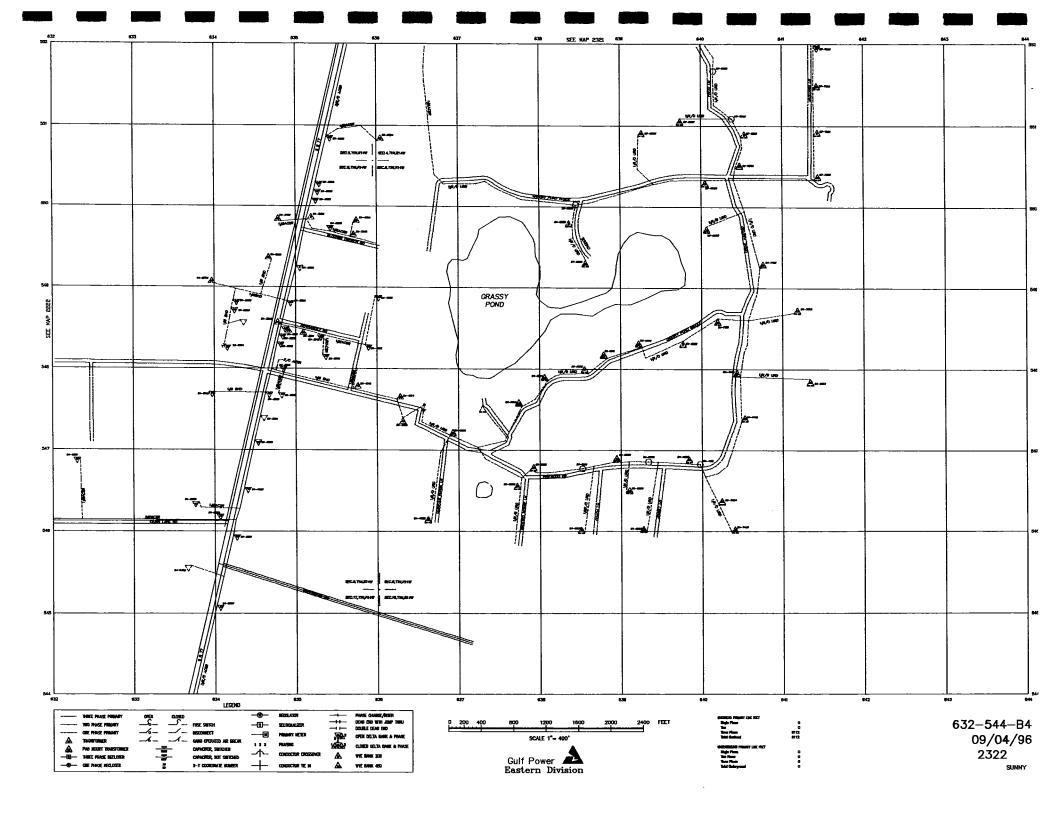


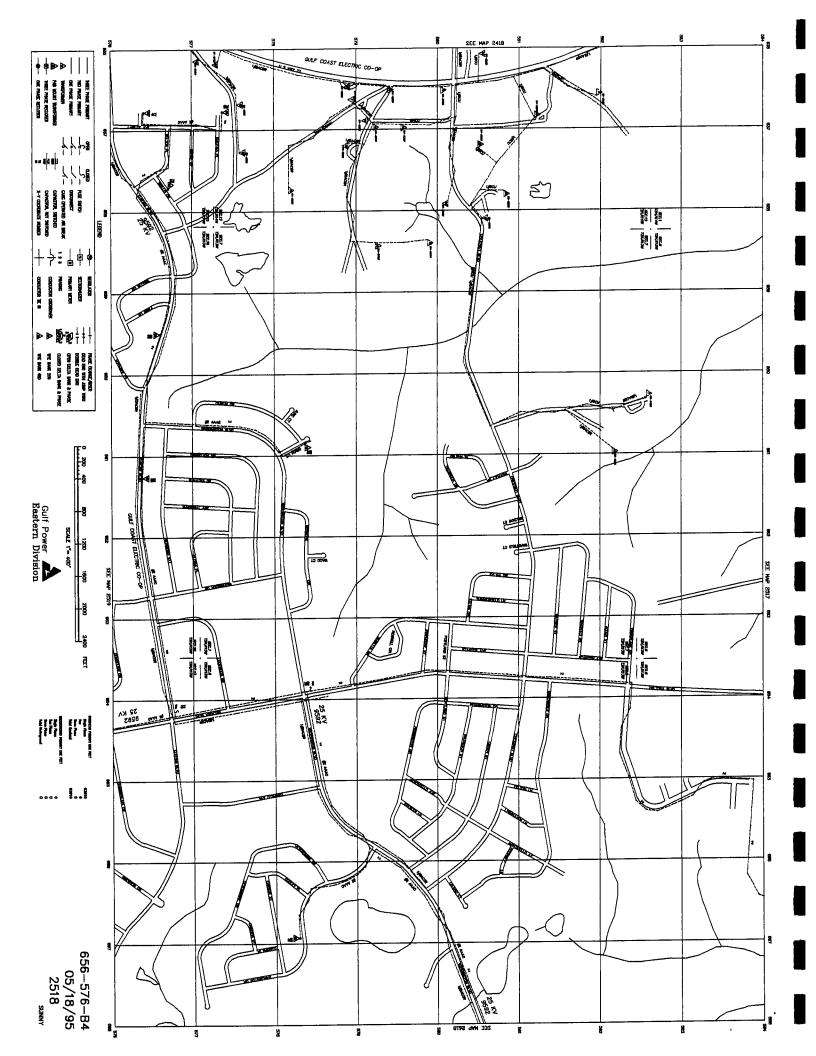


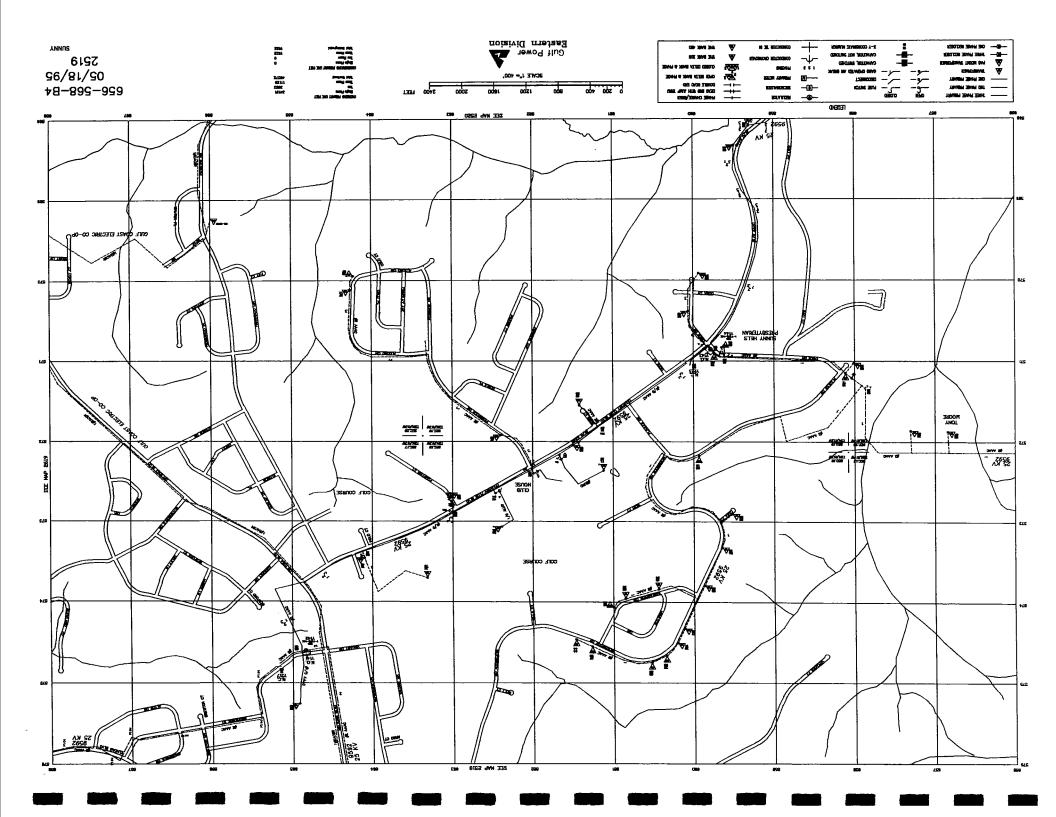


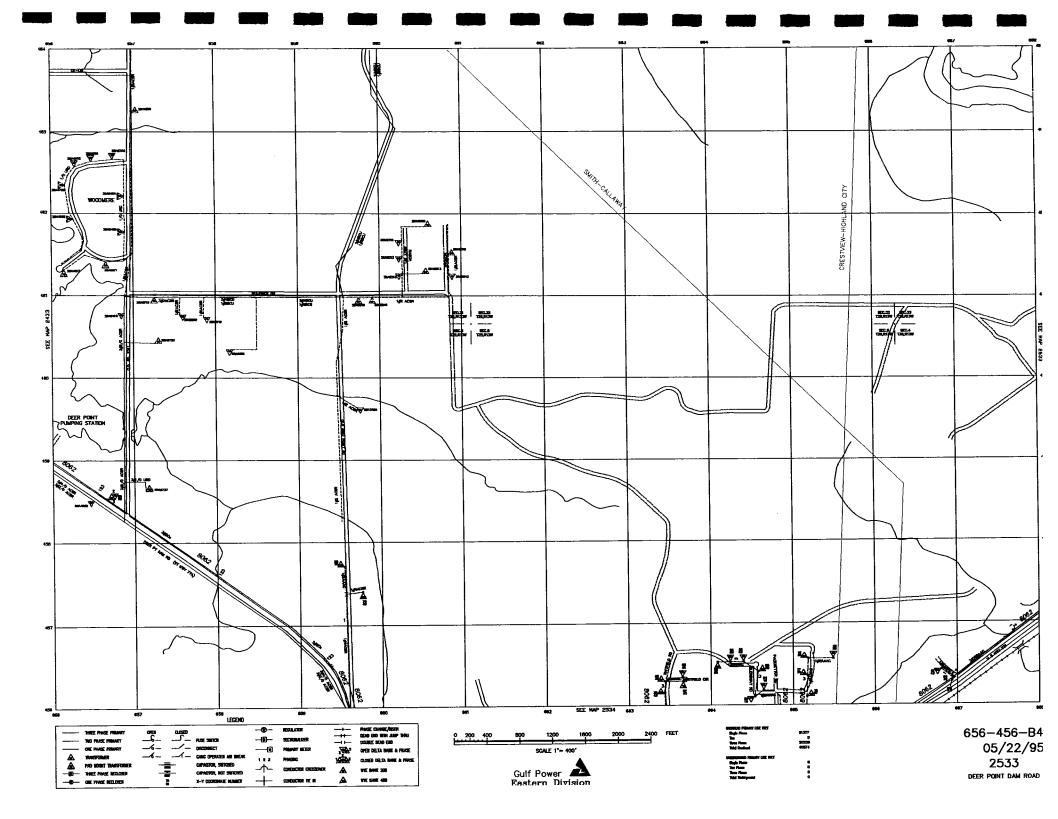


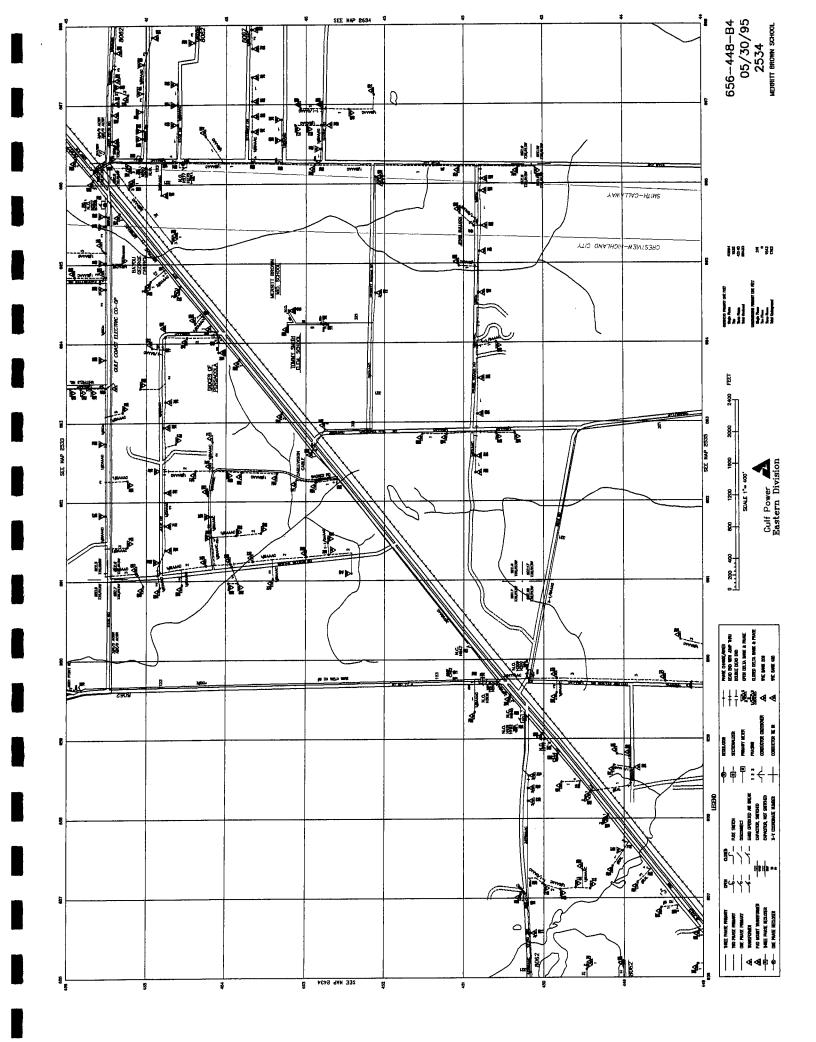


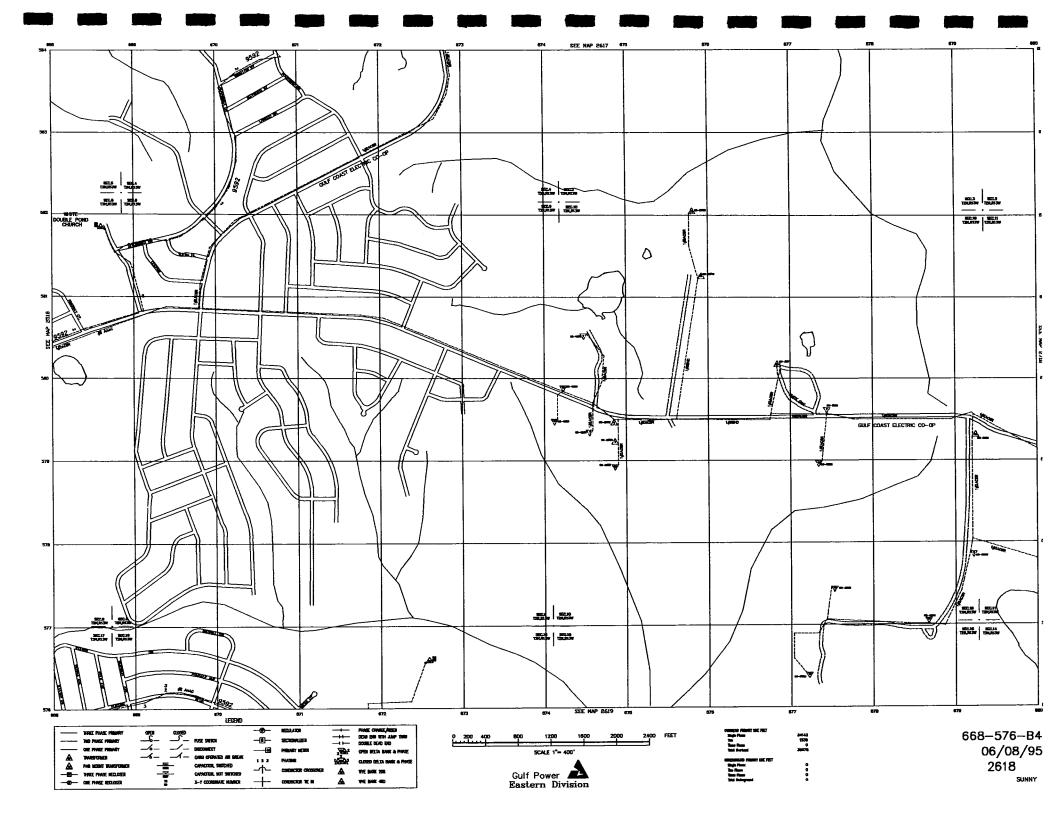


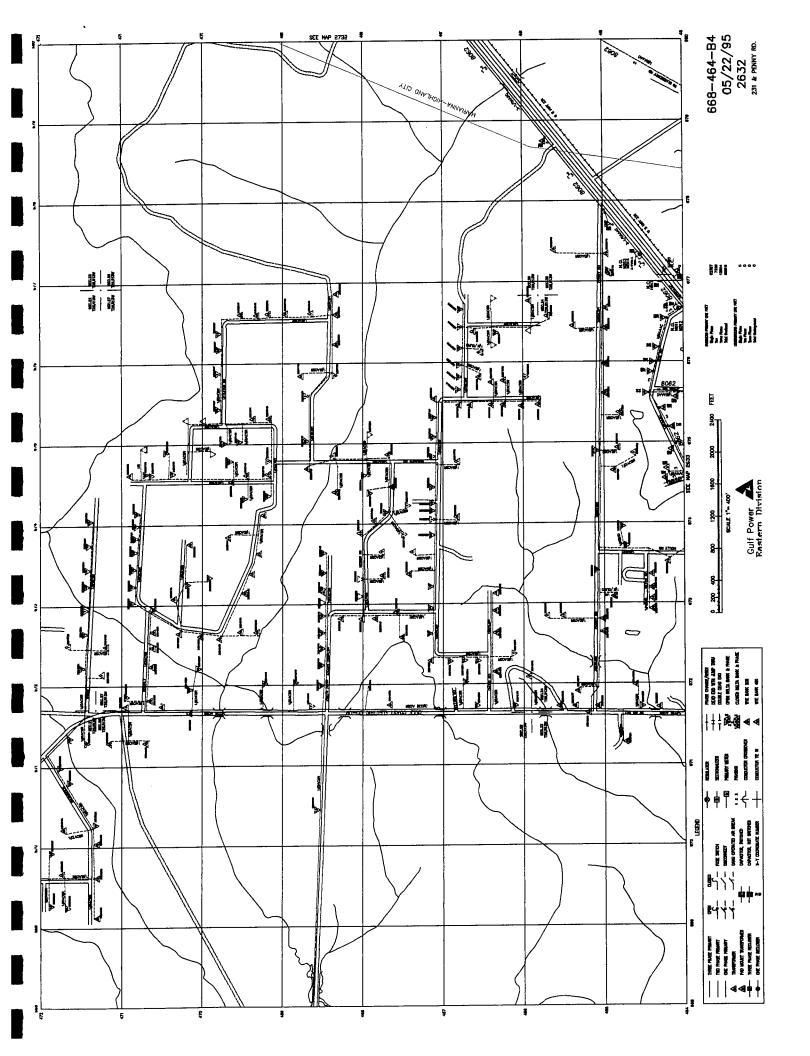


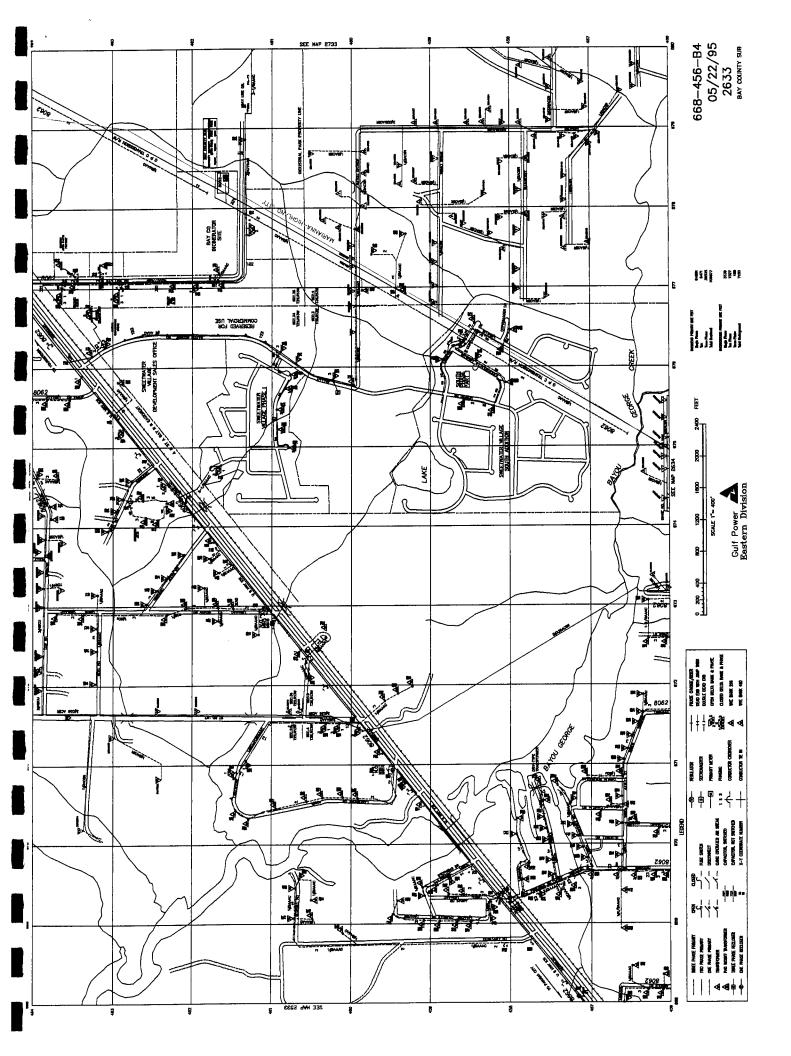


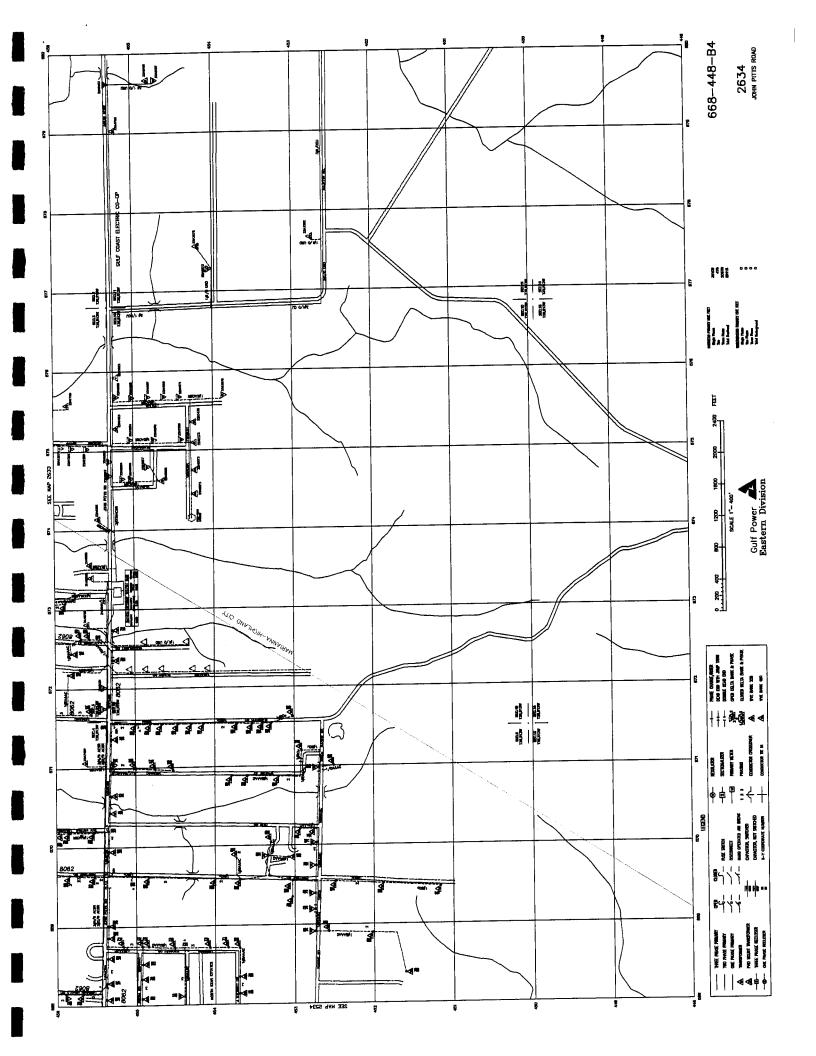


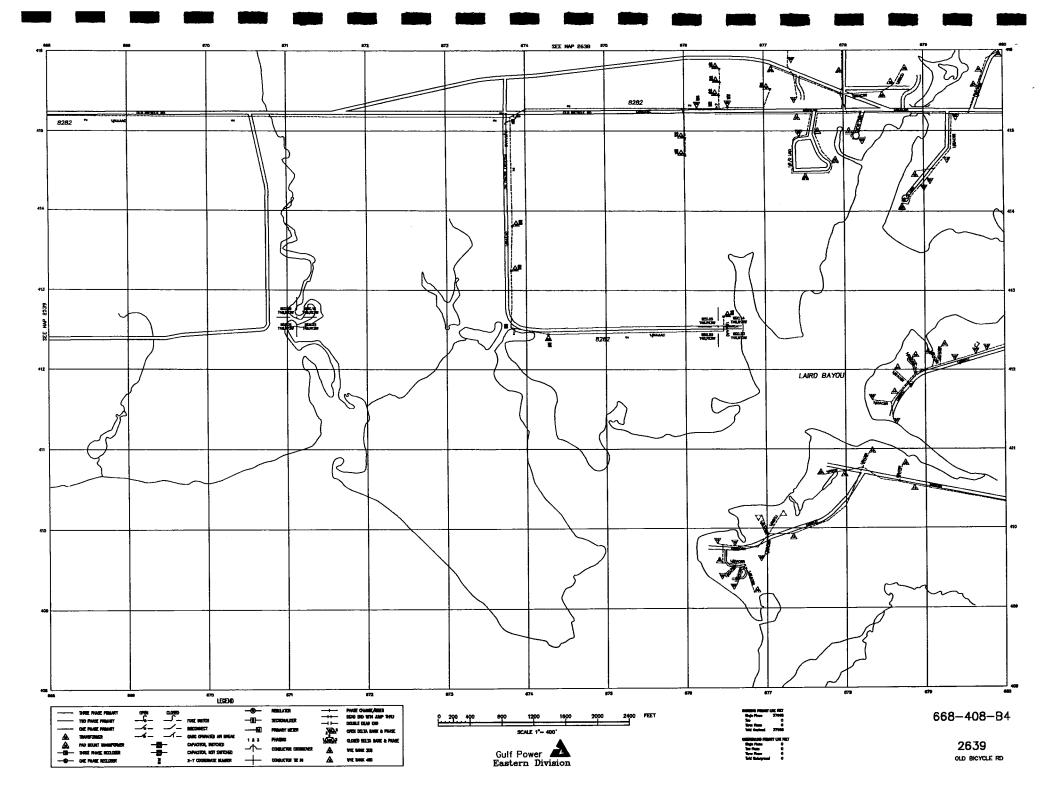


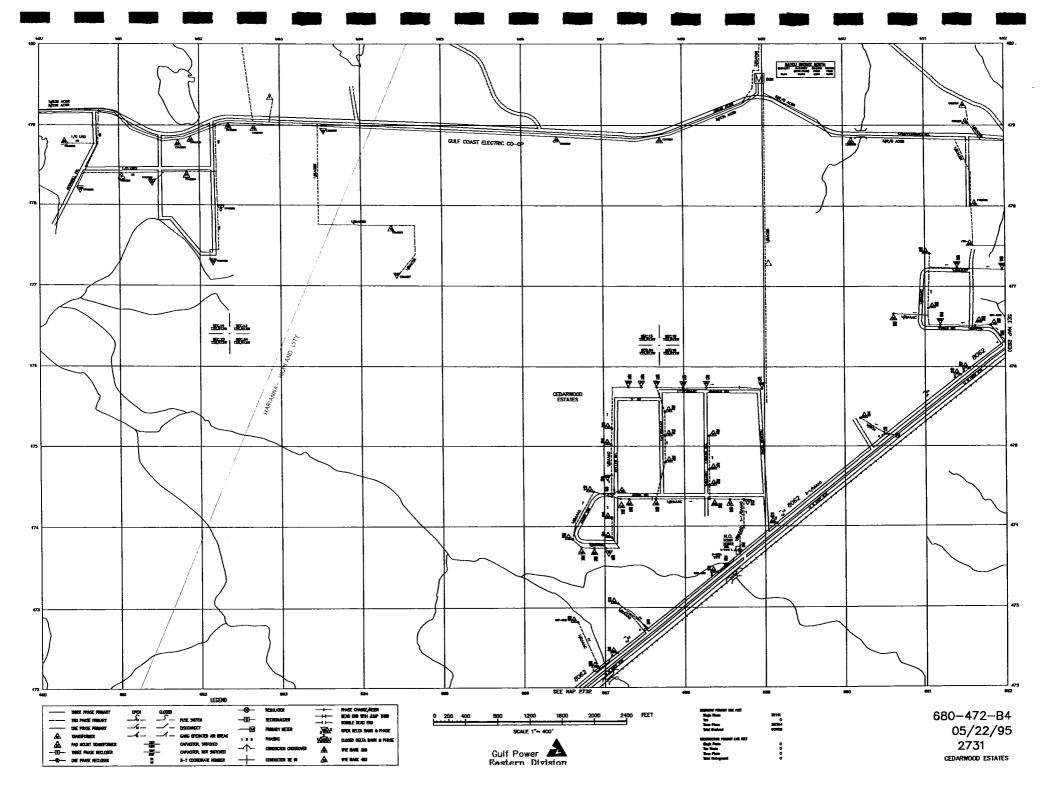


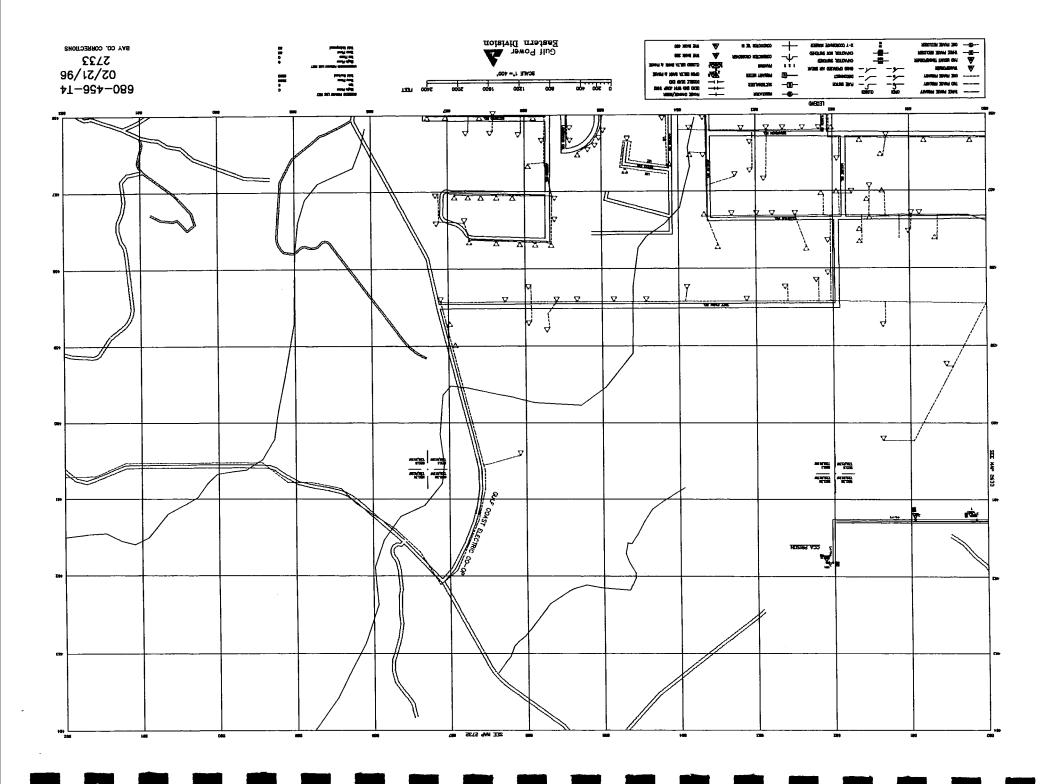


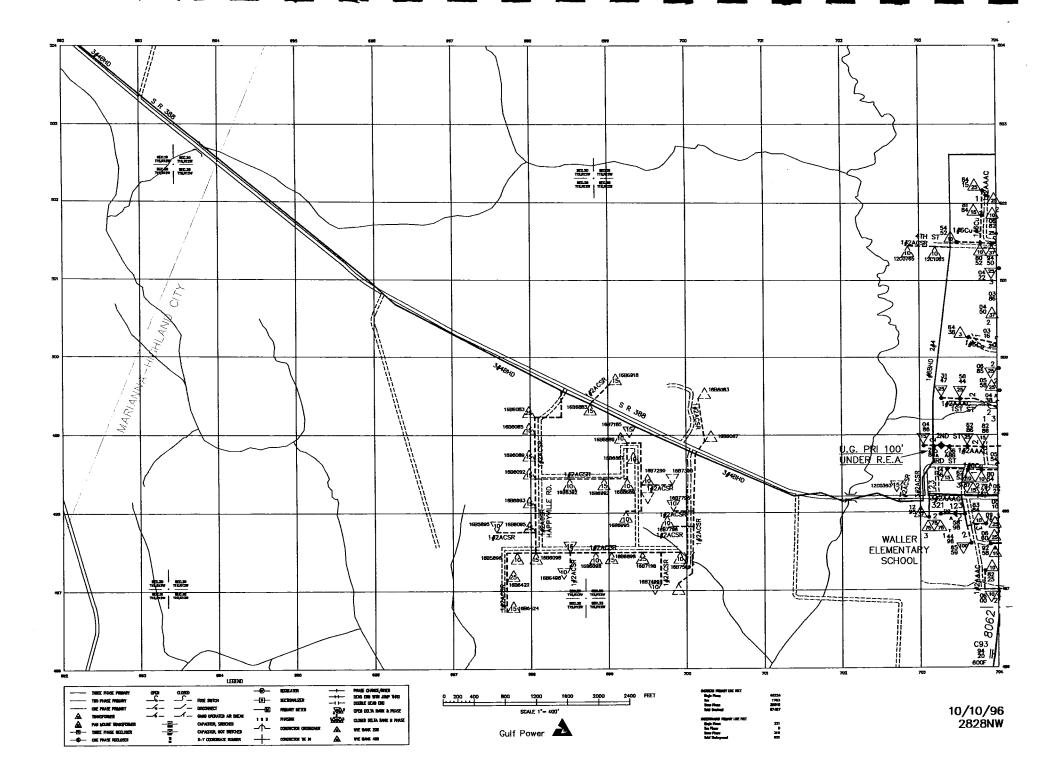


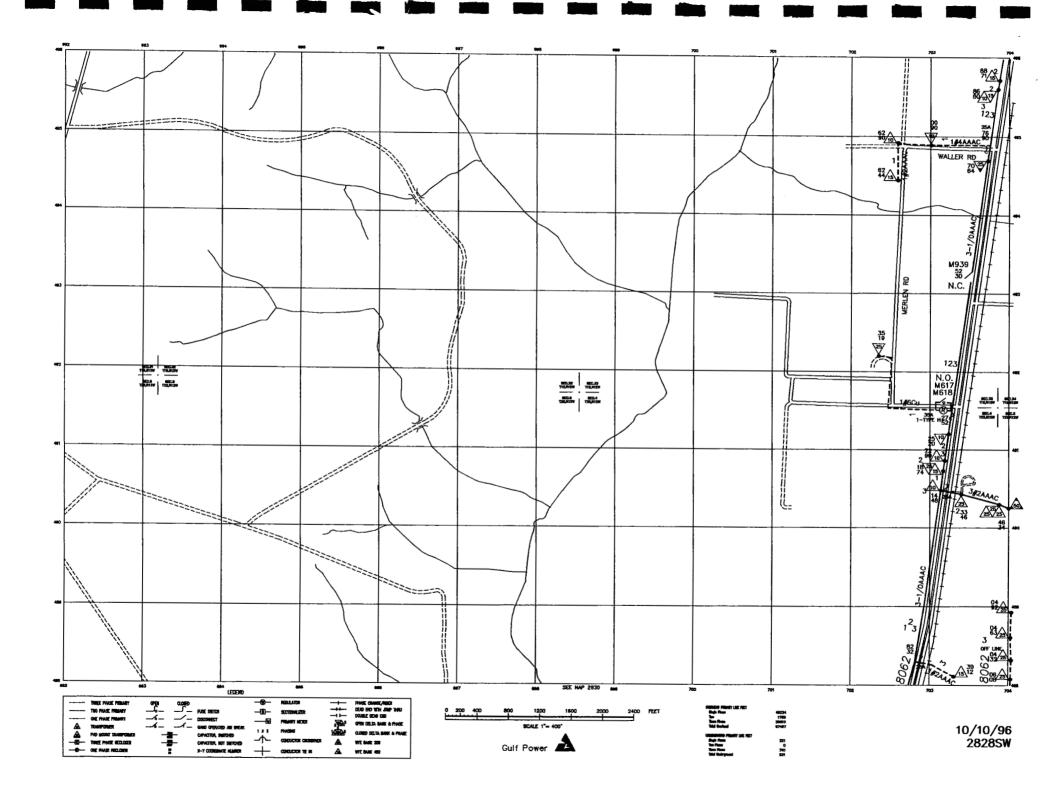


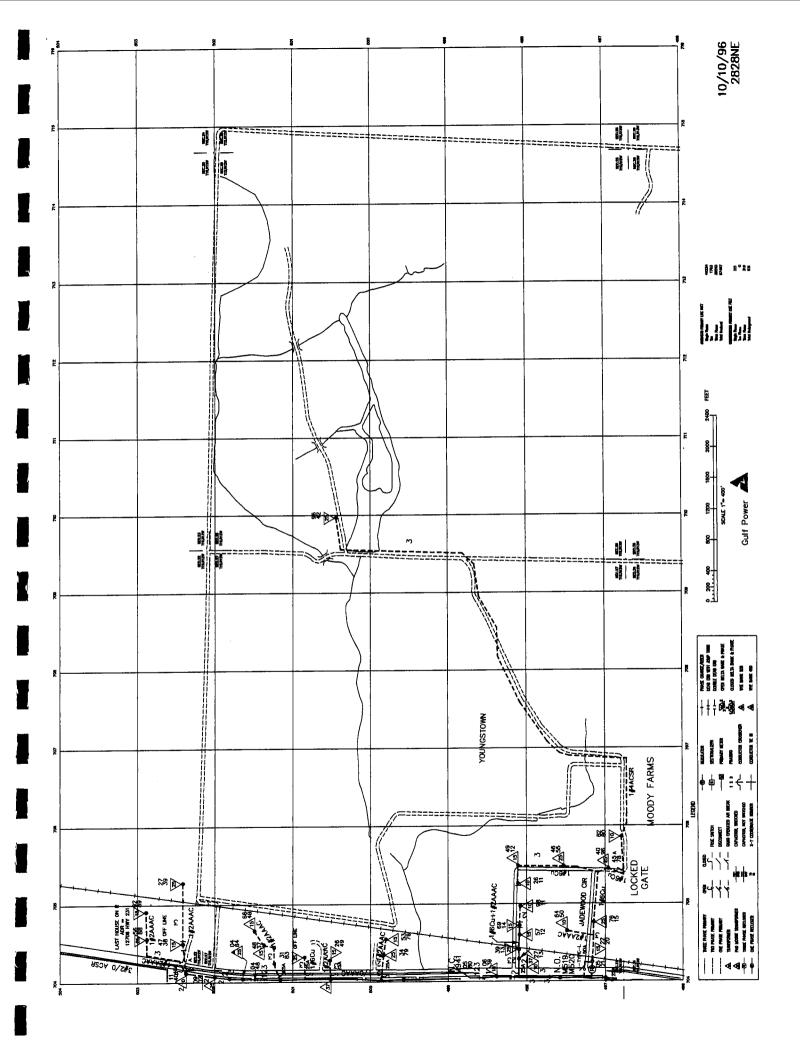


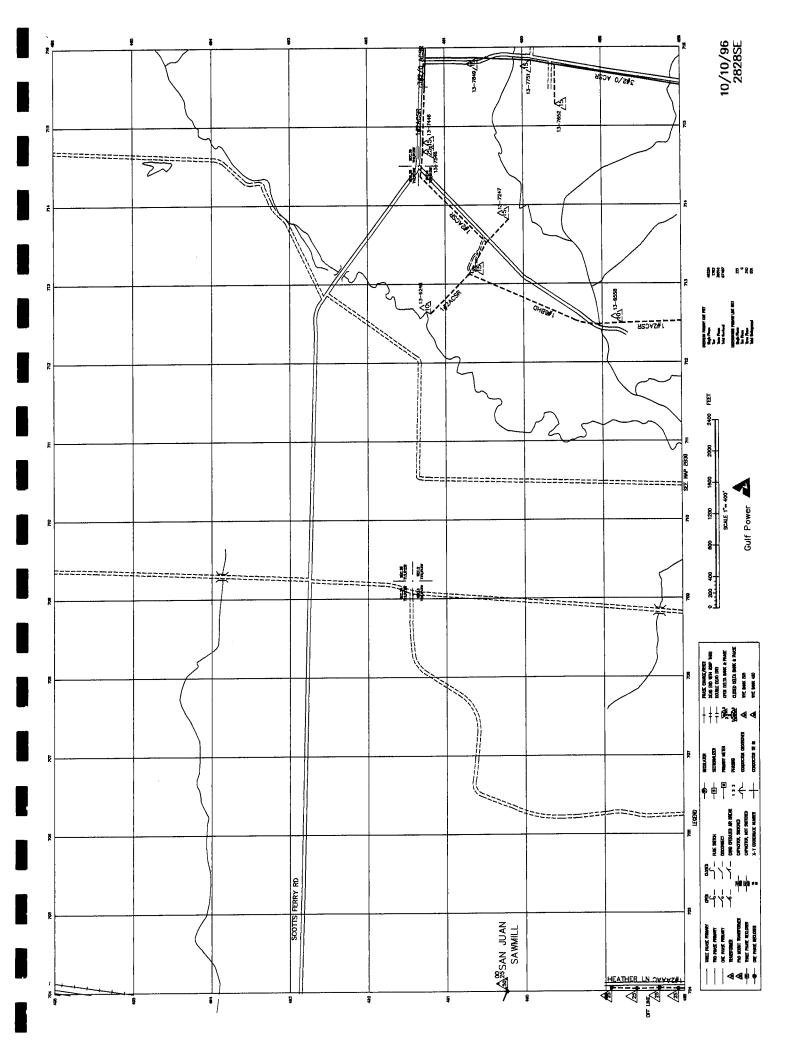


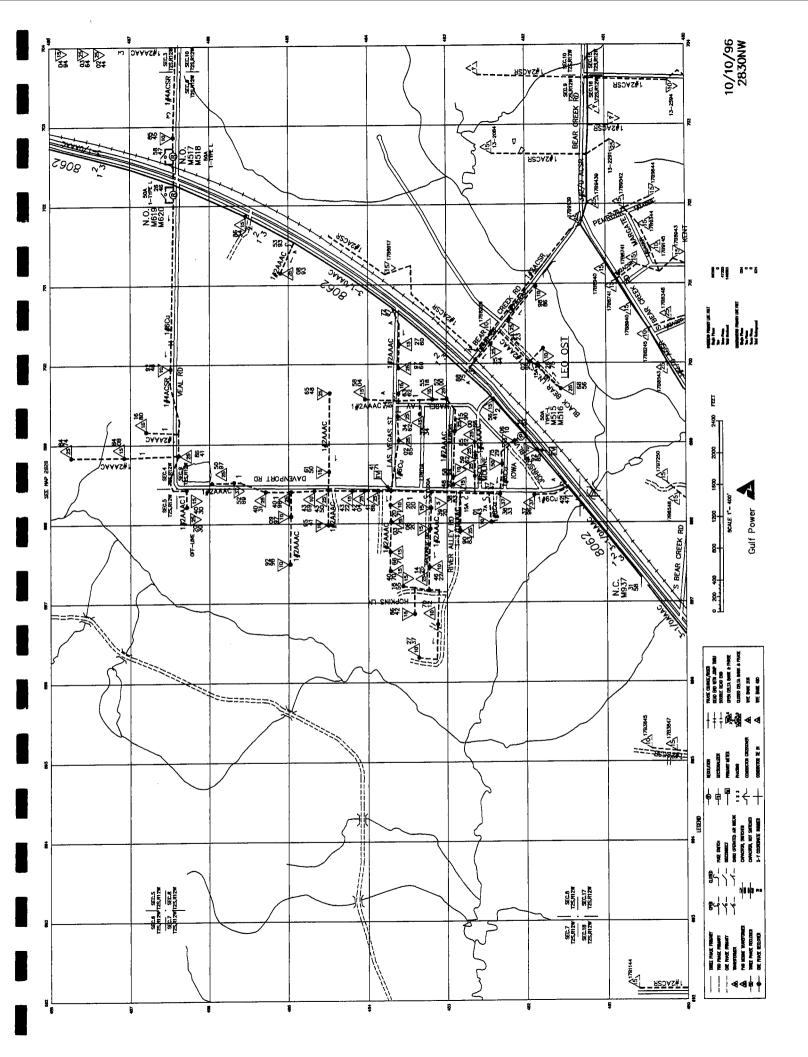


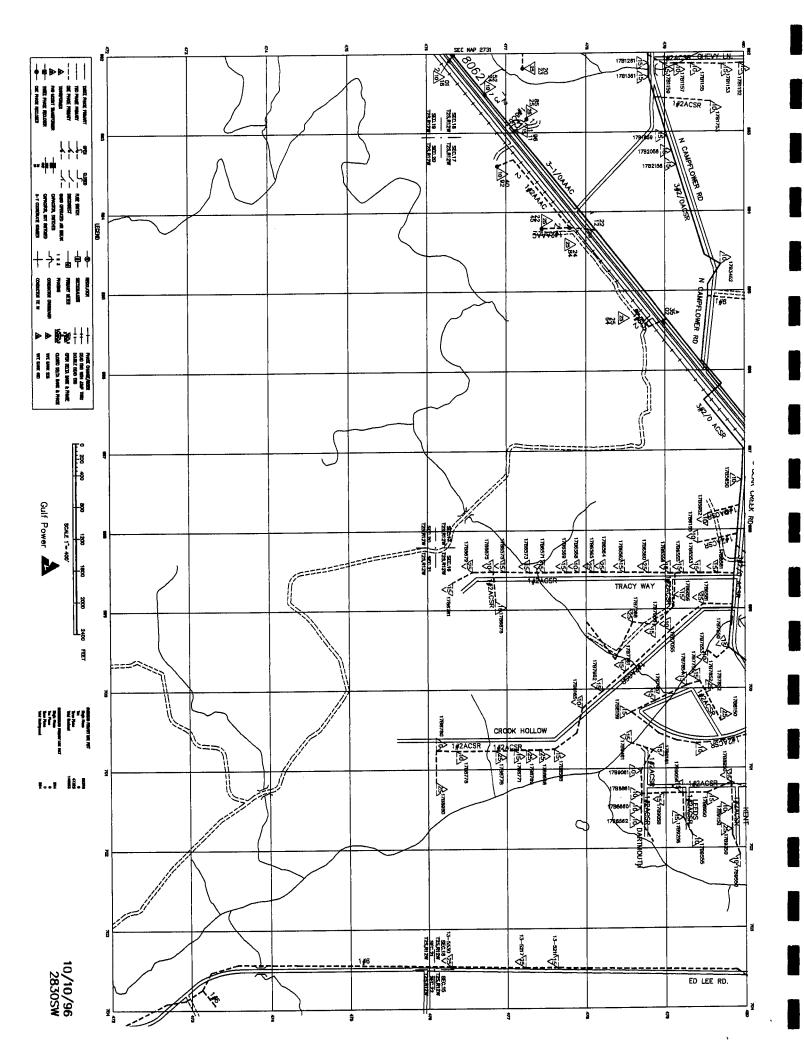












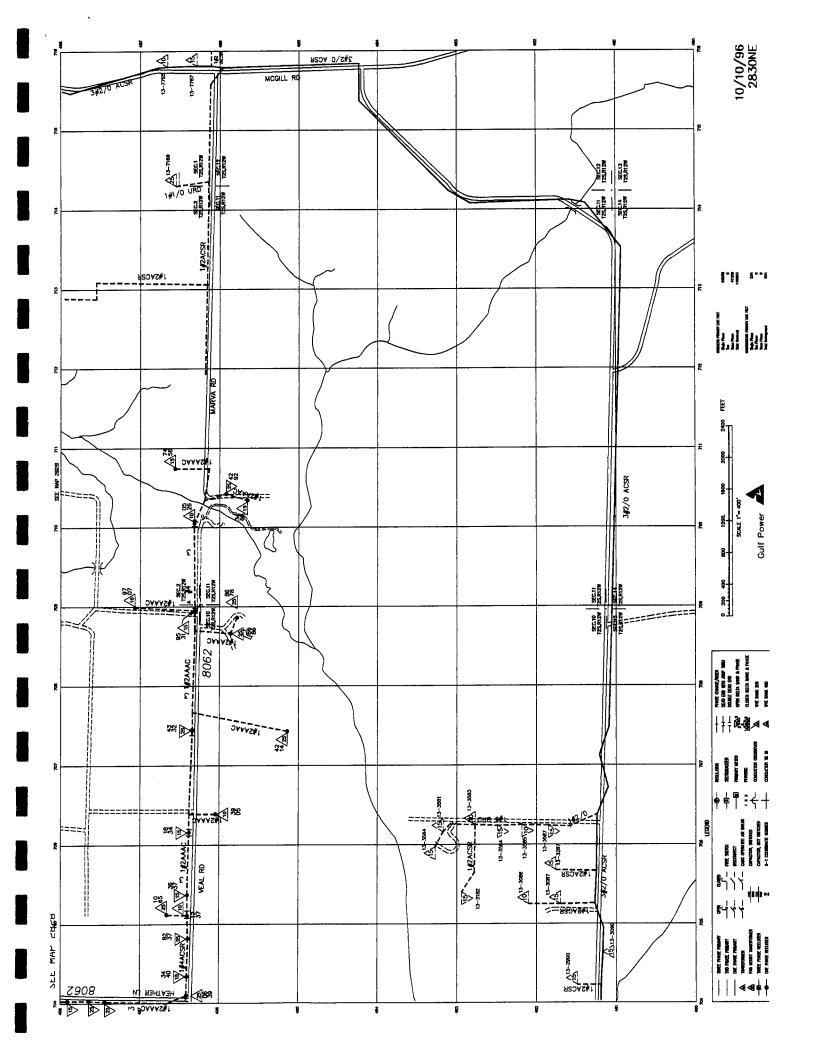


Exhibit No. ____ (WCW-2) Page 1 of 1

| FINANCIAL AND STATISTICAL REPORT | | | | | Florida | 34 ва | <u>у</u> | <u>-</u> | CA 11 | | |
|--|-------------------------|---------------------------------------|-----------|------------------|--|-----------------------------------|-----------------|----------------|----------------|--------------|--|
| INSTRUCTIONS - See RBA Bulletin 17178-3 | | | | 31-Dec-94 | | | REA USE ONLY | | | | |
| | PART F. ANALYS | SIS OF ACCUL | JULATE | ED PROVISIONS F | OR DEPRECIATIO | N - TOT | AL ELECT | FRIC PLANT | | | |
| ITEM | | | | DISTRIBUTION | GENERAL PLANT | | TRANSMISSION | | | OTHER | |
| | | | | PLANT | A A | | PLANT | | | PLANT M | |
| 1. Balance Beginning of Year | | | 2 | ,940,104 | 2,237,64 | 2,237,644 | | -0- | | 59,967 | |
| 2. Additions - Depreciation Accruais Charged to : | | | | | | | | | | | |
| a. Depreciation Expense | | | | 936,596 | 110,453 | | - | | | | |
| b. Clearing Accounts and Others | | | | | 227,979 | | | | | | |
| c. Subiotal (a + b) | | | | 936,596 | 338,432 | | | | | | |
| 3. Loss - Plant Retirem | | | | 551 (0) | 100.10 | , | | | | | |
| a. Plant Retired | | | | 551,634 | 120,184 | | · | | | | |
| b. Removal Costs | | | | 222,570 | - | | | | | | |
| c. Subtotal (a + b) | | | | 774,204 | 120,184 | | <u> </u> | | | | |
| 4. Plus Salvaged Materials | | | | 52,734 | 7:885 | | | | | ···· | |
| 5. TOTAL (2c - 3c + 4) 6. Other Adjustments - Debit or Credit | | | | 215,126 | 226,13 | 226,133 | | | · | | |
| 5. Other Acquisiments | Debit of Creok | | | | | | | | | | |
| 7. Balance End of Year (1 + 5 + /- 6) | | | 3 | ,155,230 | 2,463,777 | | -0- | | | 59,967 | |
| | | | | G. MATERIALS A | | | | | | | |
| | BALANCE BEGINNING | PURCHASE | 0 | SALVAGED | USED (NET) | 8 | ວມ | ADJUSTINEN | n | BALANCE | |
| ITEM | OF YEAR | (e) | | íc/ | KQ | | (e) | | | END OF YEAR | |
| 1. Electric | 344,609 | 795,65 | 0 | 40,317 | 887,243 | 1 | 817 | + 1,682 | | 294,198 | |
| 2. Other (155 + 156) | 19,134 | 114,93 | | | 803 | 12 | 3,052 | - | | 10,218 | |
| 3. Ratio of Inventory Tu | Imover-Electric | · · · · · · · · · · · · · · · · · · · | | | 4. Inventory - Electr | | cent of Tota | | | 10,210 | |
| item 1d | $/ \frac{1a + 1g =}{2}$ | ERR | 2 | 2.78 | 1g Bern 429, | PartE | X 10 | 10 - El | RR | .82 | |
| | | | PART | H. SERVICE INTER | A set of the set of th | | | | | | |
| | | | | HOURS PER CONSUL | ER BY CAUSE | <u> </u> | | | | TOTAL | |
| ITEM POWER SI | | PLEA | Ð | (THEME STORM | PHEATRANGED | | ALL OT | | | (e) | |
| 1. Present Year | .0917 | | | .5092 | | | .7902 | | | 1.3911 | |
| 2. Five-Year Average | .2566 | | † · · · · | .7851 | - | | ,7976 | | | .8393 | |
| | | | | EE-HOUR AND P | AVROLI STATIST | 10.9 | | <u> </u> | * - | | |
| | | | | | ····· | | | | | | |
| 1. Number of Full Time Employees | | | | 70 | 4. Payroll - Expensed | | | | | ,278,389 | |
| 2. Employee - Hours Worked - Regular Time | | | | 155,485 | | | | | | 647,218 | |
| Employee - Hours W | oriced - Overtime | | | 13,501 | 6. Payroll - Other | | | | | 313,024 | |
| PART J. PATRONAGE CAPI | | | | | PART K. DUE FF | | | UE FROM CO | NSU | JERS | |
| ПЕМ | | | | THIS YEAR | CUMULATIVE FOR ELECT | | ECTRIC SER | VICE | | | |
| | | | | (a) | (d) | | | | | | |
| . General Retirement | | | | 8,619 | 1,447,277 | 1. AMOUNT DUE OVER 80 DAYS | | | | | |
| Special Retirements | | | | 5.378 | 635,954 | | | | | | |
| . Total Retirements (1 + 2) | | | | 3,997 | 2,083,231 | <u> </u> | 172,594 | | | | |
| Patronage Capital Assigned | | | | <u></u> | 9,506,959 | 2. AMOUNT WRITTEN OFF DURING YEAR | | | | | |
| Patronage Capital As | signable | | | | 1,019,630 | <u> </u> | 82,7 | 73 | | | |
| | | PART L KY | Nh PUF | CHASED AND TO | TAL COST | | | | | | |
| REA USE ONLY | | | | | | | AVERAGE COST | | | TAL COST | |
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| Cooperative, Inc. | | | 181 | ,491,600 | 7,687,824 | | 4.24 | (126,326) | | | |
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Exhibit No. ____ (WCW-3) Page 1 of 7

GULF POWER COMPANY

CONTRACT FOR ELECTRIC SERVICE FOR RESALE BY GULF COAST ELECTRIC COOPERATIVE, INC,

This agreement made and entered into this ______ day of <u>Mic conserv</u>, by and between GULF POWER COMPANY, hereinafter referred to as the "Company", a corporation organized and existing under and by virtue of the laws of the State of Maine, and <u>GULF COAST KLECTRIC COOPERATIVE. INC.</u> hereinafter referred to as the "Consumer", an electric membership corporation organized and existing under and by virtue of the Laws of Florida.

WITNESSETH: That in consideration of the mutual covenants and agreements herein contained, the parties hereto contract and agree with each other as follows: namely:

<u>Merms</u>:

1. The Company agrees to sell and deliver to the Consumer, and the Consumer agrees to purchase and receive from the Company, all of the electric energy, as hereinafter described, which the Consumer may require during the term of this agreement.

Service:

2. The electric energy to be supplied by the Company hereunder shall be ' what is commonly known as alternating current of approximately 60 cycles per second three phase, <u>four</u> wire, and delivered and metered at approximately <u>6900/11.950 Y</u> volts.

3. The Company agrees to deliver <u>400</u> kilovolt-ampere of said electric energy at <u>a division switch on County road, running east from Highway</u> Florida No. 20. at a point northeast of the intersection of sections 3, 4, 9, and 10 T3SR13W which is approximately one mile south of Bayon George.

Switching Station:

4. The Company shall install, own, and maintain all switching and protective equipment which may reasonably be necessary to enable the Consumer to receive and use the electric energy hereunder at line voltage and to protect the system of the Company. In no event shall there be a differential of more than 25% between the current flowing in any two phases at the time of the Consumers' maximum monthly demand. If such a differential of more than 25% shall occur, then the Consumer agrees to correct such excessive differential within 60 days after receipt of written notice from the Company.

The Company shall install, own, and maintain the necessary meters and metering equipment, and make all final connections to its system at the point of delivery.

Rate:

5. The Consumer hereby agrees to pay to the Company monthly for each month during the term of this contract, and every renewal thereof, for electric energy delivered to the Consumer by the Company at the rates and under the terms and conditions set forth in Schedule "GRA-2" attached to and made a part of this Agreement.

- 2 -

Payment of Bills:

6. Meters shall be read by a representative of the Company regularly at intervals of approximately thirty (30) days, and bills for energy furnished hereunder shall be rendered by the Company to the Consumer monthly. Payment for all electric energy which shall be delivered under the provisions of this contract shall be rayable at the office of the Company in the State of Florida within fifteen (15) days after the bill therefor shall have been mailed to the Consumer. If such due date falls on a Sunday or holiday, the bill shall be due on the next day following such Sunday or holiday.

Meter Adjustments:

7. Each meter used in determining the demand for or amount of electric energy supplied hereunder shall, by comparison with accurate standards, be tested and calibrated by the Company at intervals of nc: to exceed twelve (12) months. If a moter shall be found incorrect or inaccurate, it shall be restored to an accurate condition or a new meter shall be substituted.

8. The Consumer shall have the right to request that a special meter test be made at any time. If any test made at Consumer's request discloses that the meter tested is registering correctly, or within 2% of normal, Consumer shall bear the expense of such test. The expense of all other tests shall be borne by the Company.

9. The results of all such tests and calibrations shall be open to examination by the Consumer and a report of every test shall be furnished immediately to the Consumer. Any meter tested and found to be not more than 2% above or below normal shall be considered to be correct and accurate in so far as correction of billing is concerned. If as a result of any test, any meter is found to register in excess of 2% either above or below normal, then the readings of such meter previously taken for billing purposes shall be corrected according to the percentage of inaccuracy so found, but no such correction shall extend beyond ninety days previous to the day on which inaccuracy is discovered by such test.

10. For any period that a meter is found to have failed to register, it shall be assumed that the demand established, or electric energy delivered, as the case may be, during said period is the same as that for a period of like operation to be agreed upon by the parties hereto during which such meter was in service and operating.

Construction Standards:

11. The Consumer agrees that it will maintain unity power factor as nearly as practicable, and further agrees to construct and maintain its distribution lines in accordance with REA requirements but not less than specifications at least equal to those provided by the National Electric Safety Code of the United States Bureau of Standards.

Pight of Access:

12. Each party will give all necessary pormission to each other to

Exhibit No. ____ (WCW-3) Page 3 of 7

- 3 -

enable the agents of the other party to carry out this contract, and will give each other the right by their duly authorized agents and employees to enter the premises of the other at all reasonable times for the purposes of reading or checking meters; for inspecting, testing, repairing, renewing, or **exchanging** any or all of its equipment which may be located on the property of the other; or performing any other work incident to rendering the service hereby contracted for.

Continuity of Service:

13. In the event that the Company is delayed in the delivery of electric energy herein contracted for by strike, riot, invasion, fire, flood, explosion, breakdown, act of God, or the public enemy, or any cause beyond its control, the time fixed for the commencement of delivery of electric energy bereunder shall be correspondingly extended. The Company shall not be liable to the Consumer hereunder, nor shell the Consumer be liable to the Company hereunder, by reason of failure of the Company to deliver, or the Consumer to receive electric energy as the result of fire, strike, riot, explosion, flood, accident, breakdown, acts of God or the public enemy, interruptions incident to the construction or repair of the Company's facilities but such service interruption periods shall be mutually agreed upon in advance by the parties hereto, or other acts beyond the control of the party affected, it being the intention of each party to relieve the other of the obligation to supply energy or to receive and pay for energy when, as a result of any of the above mentioned causes, either party may be unable to deliver or use in whole or in part the electric energy herein contracted to be delivered or received. Both parties shall be prompt and diligent in removing and overcoming the cause or causes of said interruption, but nothing hereunder contained shall be construed as permitting the Company to refuse to deliver, or the Consumer to refuse to receive electric energy after the cause of interruption has been removed.

14. The Company does not guarantee that the supply of electric energy hereunder will be free from interruption, and it is agreed that interruption of the Company's service, occasioned by any of the causes mentioned in the foregoing paragraph, shall not constitute a breach of this contract on the part of the Company, and the Company shall not be liable to the Consumer for damages resulting therefrom. In the event of interruption to service the Company will restore the service as soon as it can reasonably do so, and will at all times exert itself toward the end of supplying as nearly constant service as is reasonably practicable. In case of impaired or defective service, the Consumer shall immediately give notice to the nearest office of the Company by telephone, confirming such notice in writing on the same date such notice is given.

Liability for Damage:

15. The electric energy supplied under this agreement is supplied upon the express condition that after it passes the metering equipment of the Company, or other point of delivery, it becomes the property of the Consumer and the Company shall not be liable for loss or damage to any person or property whatsoever, resulting directly or indirectly from the use, misuse, or presence of the said electric energy on the Consumer's premises, or elsewhere, after it passes the point of delivery to the Consumer, except where such loss or damage shall be shown to have been occasioned by negligence of the Company, its agents or employees, in operating and maintaining the Company's property used in supplying service

Exhibit No. ___ (WCW-3) Page 4 of 7

- 4 -

hereunder. The Consumer agrees to keep its lines, apparatus, appliances and all other equipment in a safe condition and will and does hereby agree to indemnify and save harmless the Company from the payment of any sum or sums of money to any person whomsoever, including attorney's fees and court costs, which it may be called upon to pay on account of damages to property or fatal or personal injuries to individuals resulting from or which may be in any way caused by the condition, operation and maintenance of the lines, apparatus, appliances and other equipment belonging to the Consumer. Provided, however, that this agreement to indemnify and save harmless the Company shall not apply to damages or injuries caused or contributed to by the negligence of the Company.

It is understood and agreed that the Consumer will deliver to the Company, at least fifteen (15) days prior to the beginning of service hereunder, a certified copy or duplicate original of an insurance policy, issued by a reputable insurance company authorized to do business in the State of Florida, jointly protecting and indemnifying the Company and the Consumer against all liability and expense on account of claims and suits for injuries or damages to persons or property arising out of the service rendered to'or by the Consumer, as follows:

(a) Public liability insurance in the amount specified in the mortgage contract between the Consumer and the United States of America, but in no event less than \$25,000 for injuries, including wrongful death to any one person and, subject to the same limit for each person, in an amount not less than \$50,000 for injuries, including wrongful death to two or more persons on account of one accident.

(b) Property damage insurance in the amount specified in the mortgage contract between the Consumer and the United States of America, but in no event less than \$10,000 to cover damages to one person's property or arising out of any one accident for injuries to more than one person's property.

. The Consumer agrees to pay all premiums and other charges due on said policies and keep said policies in force during the entire life of this contract. Provided, however, that the Company agrees to pay that part of the premiums on the above policies which is in excess of the amount that the Consumer would be charged if it were the sole beneficiary thereunder.

Duplication of Facilities:

16. Neither party shall duplicate the other's facilities except in so far as such duplication shall be necessary in order to transmit electrical energy between unconnected points on its lines. Then such duplicating facilities are so constructed they shall not be used by the party owning them to serve existing customers served by or prospective customers immediately adjacent to the existing facilities of the other party. Neither party shall distribute or furnish electrical energy to any one who, at the time of the proposed service, is receiving electrical service from the

Exhibit No. ____ (WCW-3) Page 5 of 7

other party, or to any farm, residential or conmercial customer whose premises are capable of being served by the existing facilities of the other without extension of its distribution system beyond a distance of two-tenths of a mile.

Resale:

17. The electric energy purchased by the Consumer from the Company shall be distributed by the Consumer solely to ultimate users and such energy shall not be sold or offered for sale by the Consumer to any person, firm, municipal or other corporation or association for subsequent resule.

Service to Towns:

18. Neither the Consumer nor the Company shall furnish or offer to furnish electric energy to any premises within the limits of an incorporated town in or to which the other supplies such service, except where the other refuses to furnish such service, or where it is mutually agreed in writing that the Consumer or the Company may furnish such service.

19. Whenever the Consumer has violated any of the terms of this contract, or has failed to pay any bill accruing under this contract on or before the fifteenth day after the due date of such billing, the Company may discontinue the supply of electric energy, provided at least fifteen (15) days written notice has been given of such intention to discontinue the service, unless the Consumer shall correct such violation or shall pay such bill, before the expiration of such fifteen (15) days notice.

Term of Agreement:

20. This agreement shall become effective on the date first above written, or in the case of a new connection on the date of connection of the system of the Company to the system of the Consumer, and shall remain in effect for a period of five years from the sold date and thereafter, from year to year, unles, and until at least six months prior to the expiration of the initial five year period, or any subsequent year, either porty shall notify the other in writing of its desire to terminate the agreement on the expiration of the period or year.

21. All previous communications between the varties hereto, both verbal and written, with reference to the subject matter of this agreement, will be abrogated when the parties execute this agreement, and no modification hereof shall be binding unless it shall be in writing duly accepted by the Consumer and approved by an officer of the Company.

Exhibit No. ____ (WCW-3) Page 6 of 7

- 6 -

IN WITNESS VIEREOF; The Parties hereto have caused this instrument to be executed by their respective authorized officials.

GULF COAST ELECTRIC COOPERATIVE, INC.

By: thillongan Fresident

Attest:

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1.5 Million

GULF POWER COMPANY By:

Vice President & General Manager

Attest:

To

Secretary

Exhibit No. ____ (WCW-3) Page 7 of 7

SERVICE CLASSIFICATION "GRA-2" Service to Rural Cooperative Associations for Resale

APPLICABILITY

Applicable for service to rural cooperative or rural membership associations (organized under the laws of the State of Florida) for resale to Association members. This schedule shall apply separately to each individual delivery point.

AVAILABILITY

Available from the interconnected system of the Company at the voltage of the available local distribution lines of the Company and the standard secondary voltage of its substation transformers for the locality in which the service is to be rendered when sufficient capacity is available for the required service.

NET MONTHLY RATE

For the first 100 kwh per kva of billing demand: 1.5¢ per kwh for the first 50,000 kwh; plus 1.3¢ per kwh for all over 50,000 kwh. For the next 100 kwh per kva of billing demand: .6¢ per kwh for the first 100,000 kwh; plus .5¢ per kwh for all over 100,000 kwh. For all over 200 kwh per kva of billing demand: .4¢ per kwh for all such excess.

Provided, however, that not less than the number of kwh equivalent to 50 times the number of actual customers of all classes served for the preceding month, based upon statements to be furnished the Company each month by the Association, shall be billed at .4¢ per kwh.

When the substation required for reducing the voltage below 44,000 volts is owned, operated and maintained by the Association, the monthly bills for service rendered hereunder shall be subject to a discount based upon the Consumer's billing demand for the current month of

> 40¢ per kva for the first 150 kva; plus 20¢ per kva for the next 150 kva; plus 10¢ per kva for all over 300 kva.

DETERMINATION OF BILLING DEMAND

The kilovolt-ampere demand shall be based upon the Customer's maximum integrated fifteen-minute demand during each service month provided that such demand shall not be less than seventy-five per cent (75%) of the demand established during any of the eleven preceding months, nor less than fifty (50) kva.

MINIMUM MONTHLY CHARGE

The total monthly charge for service hereunder shall not be less than \$1.50 per kva of billing demand, nor less than .65¢ per kilowatt-hour.

TAX PROVISIONS

In addition to the rates and charges stated above, there shall be added any state sales tax and any new or additional tax imposed upon the Company, subsequent to January 1, 1947, by any governmental authority upon the service rendered under the contract to which this rate schedule is attached and made a part thereof by reference.

Exhibit No. ____ (WCW-4) Page 1 of 3

Original Sheet No. 23A

FERC Electric Tariff Second Revised Volume No. 1 (Supersedes FPC Electric Tariff First Revised Volume No. 1)

13. Commission Regulation

Nothing contained herein shall be construed as affecting in any way the right of the party furnishing service under this rate schedule to unilaterally make application to the Federal Energy Regulatory Commission for a change in rates, charges, classification, or service, or any rule, regulation, or contract relating thereto, under Section 205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder. Nothing contained herein shall be construed as affecting in any way a Customer's right under this rate schedule to make application to the Federal Energy Regulatory Commission for a change in rates, charges, classification, or service, or any rule, regulation, or contract relating thereto, under Section 206(a) of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder.

14. Duplication of Facilities

In order to achieve the economies inherent in avoidance of

Issued By: E. L. Addison President - Gulf Power Company Issued On: June 15, 1979

Effective: November 1, 1977

Exhibit No. ____ (WCW-4) Page 2 of 3

Original Sheet No. 24

FERC Electric Tariff Second Revised Volume No. 1 (Supersedes FPC Electric Tariff First Revised Volume No. 1)

unnecessary duplication of facilities, neither party shall duplicate the other's facilities except insofar as provided herein.

Duplication may be necessary in order to transmit electrical energy between unconnected points on a party's lines. When such duplicating facilities are so constructed they shall not be used by the party owning them to serve existing customers served by or prospective customers immediately adjacent to the existing facilities of the other party.

Neither party, unless ordered to do so by a properly constituted regulatory authority, shall distribute or furnish electric energy within the corporate limits of any town or city, as such limits were delineated on July 1, 1972, where the other party is the sole supplier of electric energy as of July 1, 1972. In the event that the corporate limits of a town or city served by a scle supplier are extended subsequent to July 1, 1972 and such extension includes an area then served by the facilities of another party the foregoing sentence shall not apply to such extended area. The party whose facilities are then incorporated within the extended corporate limits may continue to serve customers served on the date of the extension and, subject to limits expressed below, may also serve new customers within the extended area.

Nothing contained herein shall prohibit the parties from exchanging facilities by mutual agreement.

Neither party, unless ordered to do so by a properly constituted regulatory authority, shall distribute or furnish electrical energy to anyone who, at the time of the proposed service, is receiving electrical service from the other party or whose premises is capable of being served by the existing facilities of the other without extension of its distribution system Issued By: E. L. Addison President - Gulf Power Company Issued On: June 15, 1979

Effective: November 1, 1977

Exhibit No. ____ (WCW-4) Page 3 of 3

Original Sheet No. 25

FERC Electric Tariff Second Revised Volume No. 1 (Supersedes FPC Electric Tariff First Revised Volume No. 1)

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beyond a distance of 500 feet if the premises to be served is located within the corporate limits of any town or city in which both parties are serving, or beyond a distance of 1,000 feet if the premises to be served is located in an area which has not been incorporated within the limits of any town or city; provided, however, that either the Company or the Customer shall have the right to serve direct any unserved or new customer located in such areas having a demand of 300 kilovolt-amperes or more.

Exhibit No. ____ (WCW-5) Page 1 of 1



GULF COAST ELECTRIC COOPERATIVE, INC.

P. O. BOX 217 . WEWAHITCHKA, FLORIDA 32465 . PHONE (904) 639-2216

DISTRICT OFFICE

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P. O. BOX 8368 . SOUTHPORT, FLORIDA 32409 . PHONE (904) 265-5272

RESOLUTION

RESOLVED, That the Board of Directors of Gulf Coast Electric Cooperative, Inc. do and hereby

authorizes the termination of electric service from Gulf Power Company at the Gaskin Delivery Point on June 1, 1981.

And Président



A LOCALLY OWNED TAX PAYING ENTERPRISE