One Energy Place Pensacola, Florida 32520

Tel 850.444.6111

ORIGINAL



August 21, 2001

Ms. Blanca S. Bayo, Director Division of the Commission Clerk and Administrative Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee FL 32399-0870

Dear Ms. Bayo:

Re: Docket No. 010441-EI

Enclosed is Gulf Power Company's rebuttal testimony from the following to be filed in the above docket:

- 1. M. W. Howell 10380-01
- 2. Theodore S. Spangenberg, Jr. 103%1-01

Sincerely,

Jusan D. Ritenour

Susan D. Ritenour Assistant Secretary and Assistant Treasurer



Beggs and Lane Jeffrey A. Stone, Esquire

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

)

)

In re: Petition to resolve territorial dispute with Gulf Power Company in Washington County by West Florida Electric Cooperative Association, Inc.

Docket No.: 010441-EU

Certificate of Service

this 2^{1} I HEREBY CERTIFY that a copy of the foregoing has been furnished day of August 2001 by U.S. Mail or hand delivery to the following:

Marlene Stern, Esquire Staff Counsel FL Public Service Commission 2540 Shumard Oak Boulevard Tallahassee FL 32399-0863

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

Richard Bellak, Esquire Associate General Counsel FL Public Service Commission 2540 Shumard Oak Boulevard Tallahassee FL 32399-0863 Gerald Nemec Enron Compression Services Company 1400 Smith Street Houston, TX 77002-7361

Bill L. Bryant, Jr., Esquire Katz, Kutter, Haigler, Alderman, Bryant & Yon, P.A. 106 E. College Avenue, Suite 1200 Tallahassee FL 32301

Frank E. Bondurant, Esquire P.O. Box 854 Marianna, FL 32447

Mr. William S. Rimes P. O. Box 127 Graceville, FL 32440

will A Bestung

JEFFREY A. STONE Florida Bar No. 325953 RUSSELL A. BADDERS Florida Bar No. 0007455 Beggs & Lane P. O. Box 12950 Pensacola FL 32576 850 432-2451 Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

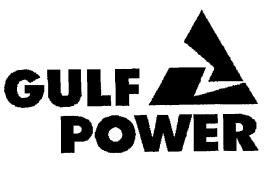
DOCKET NO. 010441-EU

PREPARED REBUTTAL TESTIMONY

OF

T. S. SPANGENBERG, JR.

August 22, 2001



A SOUTHERN COMPANY

LECCUMENT NUMBER-DATE

1		GULF POWER COMPANY
2		Before the Florida Public Service Commission
3		Prepared Rebuttal Testimony of T. S. (Ted) Spangenberg, Jr., P.E.
4		Docket No. 010441-EU Territorial Dispute in Washington County – Enron Compression Services
5		Date of Filing: August 22, 2001
6	Q.	Please state your name, address and occupation.
7	Α.	I am T. S. ("Ted") Spangenberg, Jr., Gulf Power Company ("Gulf Power"),
8		1230 East 15 th Street, Panama City, Florida, 32405. I am Gulf Power
9		Company's Panama City District Manager.
10		
11	Q.	Are you the same Ted Spangenberg that provided direct testimony on
12		Gulf Power's behalf in this Docket?
13	Α.	Yes, I am.
14		
15	Q.	What is the purpose of your rebuttal testimony?
16	Α.	The purpose of my rebuttal testimony is to correct what I believe to be
17		inaccuracies and/or mischaracterizations contained in the direct
18		testimonies of witnesses William Rimes, Gary Clark, Russell Dunaway,
19		and Joseph Perry on behalf of West Florida Electric Cooperation
20		Association, Inc. ("WFEC").
21		
22	Q.	Have you prepared any exhibits to which you will refer in your testimony?
23	Α.	Yes, I have prepared two exhibits. The first exhibit is an affidavit from
24		Chris Hilgert, Director of the Enron Compression Services group at Enron
25		North America Corporation. The second exhibit is a letter dated

1		December 22, 1995 from David H. Brown, Director Enron Compressor		
2		Services, to Jerry W. Smith, Executive Vice President and General		
3		Manager of West Florida Electric Cooperative.		
4		Counsel: We ask that Mr. Spangenberg's Exhibits be marked		
5		as Exhibit No (TSS-1) and Exhibit No		
6		(TSS-2), respectively.		
7				
8	Q.	Do you agree with Mr. Rimes' assertion that Gulf Power Company ("Gulf"),		
9		in past times, made a conscious, economic decision to not serve rural		
10		areas of northwest Florida and that such a decision continues in effect		
11		today?		
12	Α.	No, I certainly do not. This assertion simply is not accurate. For example,		
13		Gulf serves more customers than does WFEC within a ten-mile radius of		
14		the disputed area, which WFEC acknowledges is a remote, rural area.		
15		Further, Gulf's construction of numerous miles of distribution line over the		
16		years in southwest Washington County, just a few miles away from		
17		Hinsons Crossroads in the area southwest of Vernon, Florida, is an		
18		additional, specific example of the fallacy of WFEC's assertion. Gulf's		
19		customer density (average number of customers per mile of line) in this		
20		area is no higher than the average for WFEC.		
21				
22	Q.	Does Gulf Power willingly serve rural loads?		
23	Α.	Yes, absolutely. That has been true throughout Gulf's history. As noted		
24		in the ECS/Gulf joint petition filed in Docket No. 010265-EI, Exhibit		
25		TSA-1, Gulf has been serving rural electric loads in Washington County		

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1 since the Company began operating as an electric utility back in 1926. Another example of Gulf's willingness to serve rural loads is a case in 2 3 Holmes County, within a few miles of Hinsons Crossroads, where a dairy 4 farmer sought three-phase service to a pump last year. The farmer asked 5 for service from WFEC. WFEC suggested that Gulf might be the more 6 appropriate utility to serve the load because WFEC only had single-phase service available in the area; Gulf readily responded and is currently 7 serving that customer. Gulf willingly and routinely serves many rural 8 customers in northwest Florida. 9

10

11 Q. Does Gulf "cherry pick" loads in applying its "obligation to serve" as12 suggested by Mr. Rimes?

A. No, we do not. Gulf does not abandon its obligation to serve because a
load is "unprofitable." The only "selective" application that Gulf makes of
its obligation to serve is where such service would constitute uneconomic
duplication of another utility's facilities. That is the standard in Florida and
that is how Gulf operates.

18

19 Q. Would allowing Gulf to serve Enron Compression Services' ("ECS's")

20 Station 13A create a new public policy regarding "customer choice" and 21 give Gulf "open access" to WFEC's "key accounts"?

A. No. First, the type of "customer choice" that has been exercised in favor
of Gulf Power in this case is a long-standing concept within territorial
issues. It is codified within the Commission's own rules regarding the

25 resolution of territorial disputes in the form of "customer preference" when

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Page 3 Witness: Ted Spangenberg, Jr.

no uneconomic duplication of facilities is to occur. The type of "customer
 choice" exercised by ECS in this case is fully and openly embodied in
 recent territorial agreements reviewed and approved by the Commission,
 such as the one approved earlier this year between Gulf Power and Gulf
 Coast Electric Cooperative.

6 Second, WFEC appears to be trying to sound an alarm, albeit a 7 false one, to the Commission by the use of the term "open access." 8 "Open access" applies to marketers or retailers utilizing the electrical 9 system of a native utility to deliver electricity sales to a purchaser; it does 10 <u>not</u> refer to a utility building a line to make electricity sales to a customer 11 connected to that line, as is the case here.

12 Third, ECS's electric load at Station 13A is <u>not</u> a "key account" of 13 WFEC. WFEC is not currently serving ECS anywhere or in any fashion. 14 WFEC is not currently serving the electric load in dispute, as the load 15 does not exist. Station 13A has not yet been constructed, and its electric 16 motors will be totally new load.

17

Q. What comments do you have regarding WFEC's concept of "territorial
 integrity"?

A. Mr. Rimes' concept of "territorial integrity" is puzzling and troubling. He
 implies that his personal version of territorial integrity is a widely accepted
 notion. Territorial integrity is not part of the public policy of Florida as
 embodied in the Florida Statutes or the rules of this Commission
 regarding territorial matters. As I discussed earlier in this testimony, the
 public policy in Florida allows customer choice where such choice does

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Page 4 Witness: Ted Spangenberg, Jr.

1 not conflict with the statutory policy against further uneconomic duplication 2 of electric facilities. Over the past twenty years, I have watched as others with similar notions to Mr. Rimes have appealed numerous times to the 3 Florida Legislature to enact laws to force their notions upon the citizens 4 and consumers of this state. They urged our lawmakers to establish 5 territorial boundaries throughout the entire state on the basis of the 6 existing presence of any form of electric utility facilities, regardless of how 7 small the distribution line or its capabilities. They appealed to the 8 Legislature on these many occasions because it was clear that their 9 concept of "territorial integrity" was not already embodied within the public 10 policy of this State. Time and time again, the Legislature declined to 11 enact such laws, leaving unblemished the time-honored and time-tested 12 concept of allowing customer choice for service to new loads where such 13 service would not constitute uneconomic duplication. 14

15

16 Q. Is Mr. Rimes' testimony regarding Gulf Power and the City of Sneads17 accurate?

A. The limited facts he presents may be accurate, but his failure to
disclose a key piece of information causes his implication to be
misleading. He chose not to reveal that Gulf Power's proposal to
the City of Sneads was simply a response to a request from the city
itself. This key piece of information can be discerned by reading
Mr. Dunaway's exhibit ____ (RD-1) which contains a copy of Gulf's
cover letter for that proposal.

25

1 Q. What about Mr. Rimes' testimony regarding past occurrences in 2 which he believes WFEC's "territorial integrity" was violated? The examples cited by Mr. Rimes are simply that – situations that 3 Α. violated nothing more than his personal philosophy regarding 4 territorial rights. In none of those examples were any WFEC 5 facilities uneconomically duplicated as a result of Gulf's service to 6 these new loads. These customers desired service from Gulf and 7 are quietly content with the service they are being provided by Gulf 8 pursuant to the choice allowed them under the public policy in 9 10 Florida. The fact that these customers have not barraged the Commission with complaints and concerns about their options 11 regarding an electric service provider is further affirmation of the 12 effectiveness of this State's present public policy regarding 13 customer choice in the absence of uneconomic duplication. The 14 general public has been and continues to be well served by this 15 established public policy. 16

17

Q. What is your position with regard to Mr. Rimes' characterization of
 the site of ECS's Station 13A?

A. Just as he did in his reference to Gulf "stealing" away a "key
account", on page 9 Mr. Rimes continues to imply that Florida Gas
Transmission Company ("FGT") and ECS are the same entity and
that the site of Station 13And Station 13A are "absolutely the
same." Yet a review of Exhibit (GC-5) to the testimony of WFEC's
witness Clark shows that Station 13A and the electric substation

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- site to serve it are not overlaid on top of Station 13; rather, they are
 adjacent to Station 13.
- 3

Q. What about Mr. Rimes' claim that "FGT/Enron" have been "good
customers of ours since 1962"?

As I indicated earlier, WFEC is not currently serving ECS anywhere 6 Α. or in any fashion. The same is true for "Enron." Instead, WFEC 7 serves FGT, a separate company that is only partially owned by 8 Enron. My exhibit (TSS-1) is a copy of an affidavit of Chris 9 Hilgert of ECS in which Mr. Hilgert clearly delineates the 10 relationship of Enron to FGT, including any corporate affiliations 11 12 and the role of El Paso Energy in that affiliation. This affidavit makes it clear that Enron is not the same as FGT. As a result, 13 ECS is not the same as FGT. A copy of this affidavit was obtained 14 by Gulf from WFEC as part of the discovery process in this docket, 15 hence, WFEC should have been fully aware of its contents prior to 16 the filing of direct testimony. 17

This same affidavit makes it clear that ECS is a service 18 19 provider to FGT in support of its pipeline operations. Additionally, my exhibit ____ (TSS-2), also obtained by Gulf from WFEC and 20 which is a copy of a letter from Enron to WFEC all the way back to 21 22 1995, makes it clear that ECS/Enron has always been considered a different entity than FGT and that WFEC has known for several 23 years that this load has always been "...strictly a new load 24 associated with the installation of an incremental drive and 25

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1		compressor set" and that it " is not a conversion of any existing				
2		natural gas load at FGT's station."				
3		In summary, WFEC's assertion that ECS has been their				
4		customer and that Gulf is establishing "open access" to their "key				
5		accounts" is a false and misleading characterization.				
6						
7	Q.	Does WFEC's witness Mr. Russell Dunaway also make the claim				
8		that ECS and FGT are one and the same?				
9	Α.	Beginning on page 3 of his testimony, he appears to make that				
10	*	assertion. Again, for the same reasons cited earlier in rebuttal to				
11		another WFEC witness, he is clearly in error on this point. At that				
12		same general place in his testimony, Mr. Dunaway, in a fashion				
13		similar to other WFEC testimony, also fails to properly characterize				
14		the Sneads situation.				
15						
16	Q.	What is your view of Mr. Rimes' claim that Gulf "may have				
17		provided Enron/ECS with erroneous information about our service				
18		area"?				
19	Α.	Such a claim is unfounded and the assertion is illogical, given				
20		WFEC's prior discussions with Enron and Gulf's approach to				
21		service obligations. Such an assertion directly contradicts WFEC's				
22		attempt to construe FGT and ECS as one and the same.				
23						
24	Q.	Do you believe that by allowing Gulf to serve ECS the Commission				
25		would violate "its own precedent, state law, and decisions of the				

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1		Florida Supreme Court", as claimed by Mr. Rimes?			
	A.				
2	А.	Certainly not. History is ripe with examples of a utility in Florida			
3		being allowed to serve a new customer in close proximity to			
4		another utility's facilities when no uneconomic duplication of			
5		facilities would occur. I will cite two recent examples.			
6		First, in Gulf Coast Electric Cooperative v. Clark, (1996) the			
7		Florida Supreme Court ruled that Gulf Coast Electric Cooperative			
8		could serve the Washington County Correctional Institute, located			
9		adjacent to Gulf's 25 kV, three-phase distribution feeder.			
10		Second, earlier this year, in FPSC Docket No. 930885-EU,			
11		the Commission approved procedures for a utility to extend			
12		facilities some distance to serve a customer even though its load			
13		might be located immediately adjacent to the facilities of the other			
14		utility, with the distance allowance being ever more generous for			
15		larger and larger sizes of load. The type of territorial guidelines			
16		approved by the Commission earlier this year in Docket No.			
17		930885-EU is clearly allowed under the law in Florida as discussed			
18		in the Florida Supreme Court's decision in Gulf Coast Electric			
19		Cooperative Inc. v. Johnson, (1999).			
20					
21	Q.	In your opinion, does Mr. Dunaway properly characterize WFEC's			
22		"obligation to serve"?			
23	A.	Mr. Dunaway discusses WFEC's "obligation to serve" in a way that			
24		might lead some readers to equate WFEC's obligation to that of			
25		Gulf. However, a careful reading of his clarifying comments shows			
		_ , , ,			

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Witness: Ted Spangenberg, Jr.

that any "obligation" of WFEC is self-imposed, either by the policy
 of its Board or its adherence to "RUS's area coverage policy."
 Gulf's "obligation to serve" is a provision of Florida Statutes, a
 provision that does not apply to WFEC.

5

Do you agree with Mr. Clark's characterization of the "area in dispute" as 6 Q. "the area within a four-mile radius of Hinson(sic) Crossroads..."? 7 No, I do not agree with Mr. Clark's characterization of the size of the area 8 Α. in dispute. On the other hand, I agree with his claim that the area within a 9 four-mile radius of Hinson's Crossroads is "remote and very rural" and that 10 the area is largely undeveloped, with no stores, shops, industries, or 11 businesses except a few that he names. 12

If, in fact, the Commission elects to designate the entire area cited 13 by Mr. Clark as the "area in dispute", then, by WFEC's own testimony, the 14 entire area comprising approximately 25 square miles is generally 15 undeveloped. Presumably, WFEC's initial petition giving rise to this 16 docket is therefore asking the Commission to award the exclusive service 17 rights to this entire, undeveloped area to WFEC despite the fact that there 18 is no active controversy involving any customer request for service at any 19 location other than the parcel of land on which ECS's new electric load at 20 Station 13A will be located. 21

22

23 Q. Is that an appropriate action for the Commission to take in this case?

A. No. Such action would in essence be the same as placing a "line on theground" that would encircle 16,000 acres. In that scenario, Commission

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1		precedent would clearly prevent such a result. In its Order No. PSC-98-
2		0174-FOF-EU the Commission found that:
3		"In undeveloped areas, a line on the ground will eliminate the
4		flexibility the utilities need to determine which one is in the most
5		economic position to extend service." (Page 9)
6		Once again, the Commission properly focused on economics, thereby
7		sustaining the fundamental public policy of the avoidance of uneconomic
8		duplication of facilities as the basis for resolution of territorial matters.
9		
10	Q.	Does Mr. Clark accurately characterize the existence of their facilities on
11		the FGT site?
12	Α.	I certainly don't believe so. His testimony states that WFEC has "a three-
13		phase service on that (FGT) property now", yet WFEC's answer to
14		interrogatories and my own field surveys reveal that WFEC has no
15		facilities on the property. Further, they have no facilities located on the
16		site that will contain ECS's Station 13A.
17		
18	Q.	Does Mr. Clark's testimony confirm a clear distinction in FGT load versus
19		the new ECS load?
20	Α.	Yes. He reveals that the existing FGT load has a peak demand of only
21		159 kW. This is in stark contrast to the new ECS load that will have a
22		peak demand of more than 100 times this amount. These are clearly two
23		different customers with huge differences in load characteristics.
24		
25		

Q. Do you concur with Mr. Joseph Perry's testimony that WFEC is "capable 1 2 of providing adequate and reliable service to the disputed area"? 3 Α. While WFEC may, ultimately, be able to adequately serve the disputed 4 area, it is clear that WFEC's capability of serving Station 13A is essentially contained within their ability to utilize the 230 kV transmission facilities of 5 Gulf Power. Without access to Gulf's system or that of some other third 6 party, they do not have the capability to serve Station 13A, hence, the 7 disputed area. 8 Further, Mr. Perry indicates that the load projection for WFEC in 9

the disputed area, as they define it, is approximately 3000 kW and is
 projected to grow approximately two percent per year. His projections
 obviously do not include WFEC serving Station 13A. Station 13A is
 clearly a load that WFEC and its planning engineers do not and have not
 planned to serve.

15

16 Q. Does this conclude your testimony?

17	Α.	Yes, it does.
18		
19		
20		
21		
22		
23		
24		
25		

AFFIDAVIT

))

STATE OF FLORIDA

Docket No. 010441-EU

Before me the undersigned authority, personally appeared T. S. (Ted) Spangenberg, Jr., who being first duly sworn, deposes, and says that he is the Panama City District Manager of Gulf Power Company, a Maine corporation, and that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.

T. S. Spangenberg, Jr Panama City District Manager Gulf Power Company

Sworn to and subscribed before me this $\underline{\mathcal{AD}}^{\mathbb{P}}$ day of August, 2001.

Notary Public, State of Florida at Large

Commission No.

Shelia B. Graham MY COMMISSION & CC038797 EXPIRES June 25, 2003 BONDED THRU TROY FAIN INSURANCE, INC.

My Commission Expire

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

<u>AFFIDAVIT</u>

STATE OF TEXAS § SCOUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this date personally appeared Chris Hilgert, who, after being placed by me upon his oath stated as follows:

- 1. My name is Chris Hilgert. I am over twenty-one (21) years of age, and am fully competent to make this affidavit. I am Director of the Enron Compression Services group at Enron North America Corp. I have personal knowledge of the facts set forth in this affidavit, and those facts are true and correct.
- Enron Compression Services Company ("ECS") has entered into a Compression Services Agreement (the "CSA") with Florida Gas Transmission Company ("FGT"). Pursuant to the CSA, FGT will purchase from ECS continuous mechanical energy delivered to FGT via an electric motor drive train for the operation of FGT's Compression Station 13A.
- 3. If ECS fails to fulfill its obligations under the CSA and interrupts the delivery of mechanical energy, for reasons other than force majeure, then ECS would be in default and would be liable to FGT for damages under the CSA including reimbursing FGT for (i) any reservation credits that FGT would be obligated to refund their shippers due to such interruption (ii) any other costs and expenses incurred by FGT in its efforts to procure compression services. The CSA has a 20-year term.
- 4. Under the terms of an equipment lease agreement between FGT and ECS, FGT is responsible for the design and construction of the electric motor drive train. ECS leases the electric motor drive train from FGT and ECS provides mechanical energy to FGT through that drive train. The term of the equipment lease coincides with the term of the CSA.
- 5: ECS is a third party provider with respect to FGT and ECS may not function as an agent of FGT under the terms of the CSA.

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

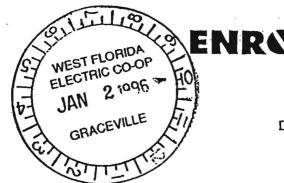
6. ECS is wholly owned by Enron North America Corp. Enron North America Corp. is wholly owned by Enron Corp. Florida Gas Transmission Company is wholly owned by Citrus Corp. Citrus Corp. is owned by Enron Corp. and by El Paso Energy Corporation. Enron Corp. and El Paso Energy Corporation each have a 50% share of Citrus Corp.

Chris Hilgert

SUBSCRIBED AND SWORN TO BEFORE ME, the undersigned authority on this ______day of _______, 2001.

Notary Public in and for the State of Texas

Exhibit No. Page 1 of 2



December 22, 1995

CAPITAL & TRADE

WORLDWIDE ENERGY SOLUTIONS

RESOURCES

Mr. Jerry W. Smith Executive Vice President & General Manager West Florida Electric Cooperative P.O. Box 127 Graceville, Florida 32440-0127

Dear Mr. Smith:

Thank you very much for the proposal to provide electric service for the proposed incremental horsepower requirements at Florida Gas Transmission's (FGT) compressor station located near Caryville, Florida. After reviewing your proposal, several points came to light that should be clarified. Also, several questions came to mind that I would appreciate your organization looking at and answering for Enron Capital & Trade Resources' (ECT) use in analyzing your proposal.

For clarification purposes, please refer to the following items that vary slightly from information discussed at our November 20, 1995, meeting or points mentioned within West Florida Electric Cooperative's (WFEC) proposal dated December 8, 1995. The proposed incremental electric load being considered for this project is strictly a new load associated with the installation of an incremental drive and compressor set at FGT's compressor station. The power load being contemplated is not a conversion of any existing natural gas load at FGT's station. This proposed new horsepower will be utilized to compress natural gas on FGT's recently installed 36-inch pipeline, and not be utilized for transmitting coal slurry. Also, the size of the electric motor that has been specified to satisfy the proposed requirements of the project is 7,500 horsepower, with a 1.15 service factor.

WFEC's proposal refers to the proposed rate information as "estimates", and subject to approvals by WFEC and the Rural Utilities Service. Regarding WFEC's rate estimates, ECT is wondering:

- whether Rate Schedule LPH is a currently effective rate that can be immediately offered by WFEC, or a new rate methodology developed specifically for this project?
- whether WFEC's rate estimates include dollars, fees or charges associated with incremental facilities (c.g., substation, transmission line) required for this project?
- if the rate estimates do include charges associated with incremental facilities, what is the associated rate impact(s) caused by those charges, and resulting rate estimates if the rates do not include incremental facility surcharges?
- if there are any potential rate or fee implications to ECT if FGT does not maintain a 75% annual load factor during the term of service under Rate Schedule LPH?
- if it is possible to develop or agree on a rate structure that would allow for specific up-front, all-in rates for the term of any possible agreement?

Will you please provide me with historical Energy Charge Adjustment information pursuant to Alabama Electric Cooperative's (AEC) Fuel and Power Cost Adjustment Charge. Also, since ECT's power cost requirements for this project are already below the WFEC rate estimates included in your proposal, is it possible this adjustment not be passed through to ECT during the term of any possible agreement?

Similarly, is there any information available that would shed light on possible Wholesale Rate Adjustment's from AEC during the term of any possible agreement? Again, since ECT's power cost requirements for this project are already below the WFEC rate estimates included in your proposal, is it possible this adjustment not be passed through to ECT during the term of any possible agreement?

Thank you again for your interest and consideration regarding this exciting opportunity for WFEC, AEC and ECT. ECT appreciates your efforts in developing your proposal and looks forward to receiving your reply regarding the questions outlined in this letter.

If you have any questions or comments, please call me at your convenience at 713/853-6074.

Sincerely,

David H. Brown Dir., Enron Compressor Services

DHB/tw Ref10895122

CC:

Jim Brook, Alabama Electric Cooperative, Inc. (Via Fax) Cheryl Perchal, Enron Capital & Trade Resources Paul Wielgus, Enron Capital & Trade Resources