

Rhonda J. Alexander

Manager Regulatory, Forecasting & Pricing 850 444 6743 tel

DOCUMENT NO. 03970-2018 **FPSC - COMMISSION CLERK** One Energy Place Pensacola, FL 32520-0780 850 444 6026 fax

rjalexad@southernco.com

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May 30, 2018

Ms. Carlotta Stauffer, Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

RE: Docket No. 20180125-EU

Dear Ms. Stauffer:

Attached for official filing in the above-referenced docket is the Answer of Gulf Power Company to Complaint of Gulf Coast Electric Cooperative, Inc. for Expedited Enforcement of Territorial Order.

Sincerely,

Rhonda J Alexanden

Rhonda J. Alexander Regulatory, Forecasting and Pricing Manager

md Attachments

**Gulf Power Company** CC: Jeffrey A. Stone, Esq. Beggs & Lane Russell Badders, Esq.

### **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Complaint of Gulf Coast Electric Cooperative, Inc. against Gulf Power Company for violation of a territorial order. Docket No. 20180125-EU Filed: May 30, 2018

### ANSWER OF GULF POWER COMPANY TO COMPLAINT OF GULF COAST ELECTRIC COOPERATIVE, INC. FOR EXPEDITED ENFORCEMENT OF TERRITORIAL ORDER

Gulf Power Company ("Gulf Power," "Gulf," or "the Company"), by and through its undersigned counsel, and pursuant to Uniform Rule 28-106.203, Florida Administrative Code, hereby submits the Company's Answer to Gulf Coast Electric Cooperative, Inc.'s ("GCEC") Complaint for Expedited Enforcement of a Territorial Order ("Complaint") in this docket as follows:

### **PRELIMINARY STATEMENT**

GCEC's Complaint represents the second in a series of events which Gulf Power can only describe as regrettable. The first event consisted of a lengthy, and factually challenged, demand letter which was prepared by GCEC and copied directly to the Executive Director of the Florida Public Service Commission's ("Commission") and various other senior staff members of the Commission on April 18, 2018 -- a time period during which Gulf Power and GCEC were engaged in what Gulf Power considered confidential settlement discussions pursuant to the Procedures and Guidelines Agreement between the parties (the "Territorial Agreement") which was approved by Commission Order No. PSC-01-0891-PAA-EU and Order No. PSC-01-0891A-PAA-EU (collectively, the "Territorial Order").<sup>1</sup> Gulf Power, accordingly, was left with no

<sup>&</sup>lt;sup>1</sup> A copy of the Territorial Agreement is attached for reference as Exhibit "A."

option but to file a response on April 19, 2018, expressing its surprise and disappointment with this unorthodox tactic and rebutting certain assertions contained in the memorandum. Gulf Power and GCEC met again shortly thereafter to continue discussion of options for informal resolution of the dispute. These discussions resulted in agreement to pursue mediation before the Commission Staff as is contemplated by Section 2.4 of the Territorial Agreement. During separate discussions with Commission Staff, Gulf and GCEC were informed that, due to resource limitations, Staff was not in a position to accommodate pre-suit mediation. However, Staff also recommended that the parties consider retaining a third-party mediator -- an option which was (and remains) acceptable to Gulf Power and which Gulf Power conveyed to GCEC's counsel on May 13, 2018. Counsel for Gulf Power and GCEC again discussed the potential for mediation at approximately 2:30 Eastern time on the afternoon of May 23, 2018, at which time counsel for GCEC indicated the need to confer with the client. Approximately three hours later, and without advanced notice to Gulf Power, GCEC filed its Complaint initiating the present proceeding. Gulf Power again feels compelled to express its disappointment with the tactics and apparent gamesmanship being employed by GCEC in this dispute. Additionally, for clarity of the record and in recognition of the fact that there are two sides to every narrative, Gulf Power believes it will be helpful for the Commission's understanding of this dispute to set forth the facts from its perspective. Consequently, Gulf will begin by setting forth those facts. Thereafter, Gulf will respond individually to each numbered allegation in GCEC's Complaint. In view of the undisputed facts as set forth in the Complaint and Answer, the plain terms of the Territorial Agreement, and the law, Gulf Power submits that this dispute is in a procedural posture such that judgement can be rendered expeditiously on the pleadings without the necessity of further factfinding or discovery.

### NOTICES

Copies of all notices and pleadings with respect to this docket should be furnished to:

Rhonda J. Alexander Gulf Power Company One Energy Place Pensacola, Florida 32520-0780 (850) 444-6743 (850) 444-6026 (facsimile) rjalexad@southernco.com

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Jeffrey A. Stone, Esq. General Counsel Gulf Power Company One Energy Place Pensacola, Florida 32520-0100 (850) 444-6550 jastone@southernco.com

### FACTUAL SUMMARY AND POSITIONS OF GULF POWER

1. The Territorial Agreement provides a set of requirements and parameters governing Gulf Power's and GCEC's handling of new requests for electric service. Chief among these requirements is a requirement that, under certain circumstances, the utility receiving a request for electric service provide notice to the other utility, which then has a limited opportunity to respond to such notice. In the absence of a timely response, the requested utility has the right to honor the electric service request. Specifically, Section 2.3 of the Territorial Agreement provides in relevant part as follows:

> In any instance where the Load and distance criteria of Section 2.2 are not met but the requested Utility believes that its Cost of Service would not be significantly more than that of the other Utility, the following

procedure shall be used to determine if the requested Utility may agree to provide service:

(a) The requested Utility is to notify the other Utility of the Customer's request, providing all relevant information about the request.

(b) If the other Utility believes that its facilities would be uneconomically duplicated if the request is honored, it has five (5) working days from receipt of notice to request a meeting or other method to be conducted within ten (10) working days for the purpose of comparing each Utility's Cost of Service. <u>Absent such a request or upon notification from the other Utility of no objection to the requested Utility's providing the service, the requested Utility may agree to provide service.</u>

(emphasis added).

As illustrated in detail below, Gulf Power complied with its obligations under Section 2.3 of the Territorial Agreement and, pursuant to the plain terms of the Territorial Agreement, is entitled to honor its customer's request for service. Any Commission order appropriately enforcing the terms of the Territorial Order should affirm this conclusion.

2. Early in the fourth quarter of 2017, Gulf Power received an inquiry from the St. Joe Company ("St. Joe") concerning the provision of electric service to a 112 kVA sewage lift station located on parcel ID 26597-000-000 in unincorporated Bay County that St. Joe was planning to construct and subsequently convey to the County (the "Lift Station"). In October 2017, these discussions resulted in a verbal request from St. Joe that Gulf Power provide electric service to the Lift Station. This verbal request was followed by a November 13, 2017, telephone contact from a St. Joe representative to Gulf Power's Customer Care Center wherein St. Joe reiterated its request for electric service, and a connect order was issued. A screenshot depicting the November 13<sup>th</sup> customer contact is attached for reference as <u>Exhibit "B</u>." This service request was further confirmed in writing by St. Joe, dated January 17, 2018. This confirmation is attached for reference as <u>Exhibit "C</u>," and a related item of correspondence from St. Joe of equal date to GCEC is attached for reference as <u>Exhibit "D</u>," both items evidencing St. Joe's selection of Gulf Power as its service provider. Gulf Power is authorized to represent that, as of the date of this filing, St. Joe has reaffirmed its selection of Gulf Power as its electric service provider. Gulf Power has communicated with Bay County, as the ultimate recipient of the lift station, and is also authorized to represent that Bay County desires to receive electric service from Gulf Power.

3. Section 2.2 of the Territorial Agreement allows the utility receiving a request for service to agree to the request without notifying the other utility if certain load and distance criteria are met. In the instant case, these criteria were not met. As shown in the aerial depiction attached for reference as <u>Exhibit "E</u>," Gulf Power's nearest existing distribution facilities are approximately 11,000 feet from the point of delivery, whereas GCEC's nearest existing distribution facilities are approximately 8,000 feet from the point of delivery. It is undisputed that neither utility has existing facilities in close proximity to the point of delivery. Both utilities' existing distribution facilities are located in a road right-of-way abutting the point of delivery. Given that Section 2.2 did not apply, Gulf Power to provide notice of the customer request to GCEC. The Territorial Agreement is silent with respect to the form of notice and the notice recipient for either party.

4. In compliance with Section 2.3(a) of the Territorial Agreement, on October 20, 2017, Gulf Power's Panama City-based Engineering Supervisor provided written notice of the request for service to GCEC's Vice President of Engineering. A copy of this notice is attached for reference as Exhibit "F." Gulf Power's October 20<sup>th</sup> notice clearly referenced Section 2.3(a)

of the parties' agreement, the existence of a request for electrical service, the type of load to be served and the Parcel ID number for the property on which the Lift Station would be located. Gulf Power's notice referenced a Parcel ID rather than a physical address because an internet search of the physical address "1900 Highway 388 West" depicts the location of the subject property as being four driving miles and more than three aerial miles away from its actual location. See, Exhibit "G." Contrary to GCEC's contentions, Gulf Power's reference to a Parcel ID rather than a physical address was intended to provide additional clarity; not to obfuscate. Gulf's notice was clearly sufficient to alert GCEC to the existence of a service request under the Territorial Agreement, to enable GCEC to notify Gulf Power if it believed the notice failed to comply with the terms of the Territorial Agreement.<sup>2</sup>

5. Not only did GCEC fail to respond to this notice within the requisite five (5) working day timeline; GCEC did not respond at all.<sup>3</sup> As a consequence, and as it was clearly permitted to do under the plain terms of the Territorial Agreement, Gulf Power agreed to provide service and began preparations to do so. Having failed to respond or object in any way, GCEC cannot now be permitted to attack the adequacy of the notice.

6. Gulf Power did not receive any communications from GCEC with respect to the subject Lift Station until January 8, 2018, when GCEC's Vice President of Engineering emailed Gulf Power pursuant to Section 2.3(a) of the Territorial Agreement regarding a purported request

 $<sup>^2</sup>$  It is noteworthy that St. Joe had commenced construction of the Lift Station well in advance of October 20, 2017, and that such construction was plainly visible from the roadway of Highway 388.

<sup>&</sup>lt;sup>3</sup> GCEC has acknowledged receiving Gulf Power's notice. However, it has not provided any substantive rationale or explanation for failing to respond to the notice.

for service which it had received concerning the same premises. A copy of this correspondence is attached for reference as <u>Exhibit "H</u>." Given the distinct similarities between GCEC's notice and Gulf Power's October 20<sup>th</sup> notice and their identical method of delivery, Gulf Power finds it curious that GCEC is now contending that Gulf Power's notice was inadequate.

7. On January 12, 2018, Gulf Power replied to GCEC's January 8<sup>th</sup> correspondence noting that the Company had previously received a request for electrical service for the specified location and provided written notice of the same to GCEC on October 20, 2017, as required by Section 2.3(a) of the parties' Territorial Agreement. Because GCEC did not respond to Gulf Power's notice within the timeframe required by Section 2.3(b) of the Territorial Agreement and the Territorial Order embodying the agreement, Gulf Power informed GCEC that GCEC was foreclosed from objecting to Gulf Power's serving the subject location. Gulf Power further stated that it had begun preparations to serve the location and had confirmed with the customer that their request for Gulf Power to serve remained in effect. A copy of Gulf's January 12<sup>th</sup> correspondence is attached for reference as Exhibit "I."

8. Subsequent discussions with Bay County, St. Joe and GCEC have revealed that Bay County and St. Joe did, in fact, inquire of GCEC concerning the provision of electric service to the subject lift station. However, Gulf Power has been provided with no evidence that a request for service from GCEC was ever placed or made by either of those parties. Regardless, the record is clear that: (i) Gulf Power received a bona fide request for service in October 2017; (ii) such request for service was never retracted or cancelled; and (iii) both St. Joe and Bay County continue to desire to receive electric service from Gulf Power.

9. In light of its standing request for service from St. Joe and given that the customer is at a stage where the need for electric service is imminent, Gulf Power has undertaken efforts to provide such service, including extension of facilities to provide power. Contrary to GCEC's contention that Gulf Power has engaged in a "race to serve" in violation of the Territorial Agreement and Territorial Order, Gulf Power's extension of facilities is wholly consistent with the plain terms of Section 2.4 of the Territorial Agreement which provides in relevant part that "during a period of unresolved dispute, the requested Utility may provide temporary service to the Customer or may elect to request the other Utility to provide temporary service to the Customer and either means of temporary service shall be without prejudice to either Utility's position in the dispute as to which Utility will provide permanent service." Gulf further notes that its extension of facilities occurred approximately <u>seven months</u> after the initial request for service –hardly the "race" to serve portrayed by GCEC.

10. Sections 2.3(a) and (b) of the Territorial Agreement are clear and unambiguous:

(a) The requested Utility is to notify the other Utility of the Customer's request, providing all relevant information about the request.

(b) If the other Utility believes that its facilities would be uneconomically duplicated if the request is honored, it has five (5) working days from receipt of notice to request a meeting or other method to be conducted within ten (10) working days for the purpose of comparing each Utility's Cost of Service. <u>Absent such a request or</u> <u>upon notification from the other Utility of no objection to the requested</u> <u>Utility's providing the service, the requested Utility may agree to</u> <u>provide service</u>.

(emphasis added).

Gulf Power provided the requisite notice of a customer request for service to GCEC on

October 20, 2017. Despite receipt of the same, GCEC failed to respond to Gulf Power's notice.

Pursuant to Section 2.3(b), in the absence of a timely reply, Gulf Power "may agree to provide

service" and has, in fact, agreed to provide service. Under the plain terms of the Territorial Agreement, GCEC is foreclosed from objecting to Gulf Power honoring its customer's request for service, and there is no requirement or need to compare costs or take any additional actions under the remaining terms of the Territorial Agreement.

11. Put simply, Gulf Power is entitled as a matter of law and contract to honor its customer's request for electric service. "It is axiomatic that when construing a document, courts should give effect to the plain meaning of its terms." Volusia County v. Aberdeen at Ormond Beach, L.P., 760 So.2d 126, 132 (Fla. 2000). See also, Columbia Bank v. Columbia Developers, LLC et al., 127 So.3d 670, 673 (Fla. 1st DCA 2013) ("The cardinal rule of contractual construction is that when the language of the contract is clear and unambiguous, the contract must be interpreted and enforced in accordance with its plain meaning."); Cleveland v. Crown Financial, LLC, 183 So.3d 1206, 1209 (Fla. 1st DCA 2016) ("The cardinal rule of contractual interpretation is that when the language of a contract is clear and unambiguous, the contract must be interpreted and enforced in accordance with the plain meaning."); Maher v. Schumacher, 605 So.2d 481, 482 (Fla. 3d DCA 1992) ("When a contract is clear and unambiguous, 'the actual language used in the contract is the best evidence of the intent of the parties, and the plain meaning of that language controls."); Burns v. Barfield, 732 So.2d 1202, 1205 (Fla. 4th DCA 1999) (It is fundamental that where a contract is clear and unambiguous in its terms, the court may not give those terms any meaning beyond the plain meaning of the words contained therein).

### RESPONSE TO INDIVIDUAL ALLEGATIONS WITHIN GCEC'S COMPLAINT

Gulf Power responds to GCEC's Complaint as follows with respect to each numbered allegation:

- I. Not contested.
- 2. Not contested.
- 3. Not contested.

4. Gulf Power acknowledges that the Commission has jurisdiction under Section 366.095, Florida Statutes, to "[i]mpose upon any entity subject to its jurisdiction under Chapter 366, Florida Statutes, that is found to have refused to comply with or to have willfully violated any lawful rule or order of the commission or any provision of this chapter a penalty for each offense of not more than \$5,000." Gulf Power denies any implication that it has refused to comply with or has willfully violated a rule or order of the Commission and therefore asserts that such penalty jurisdiction is not applicable in this case.

- 5. Not contested.
- 6. Not contested.
- 7. Not contested.
- 8. Not contested.

9. Gulf Power acknowledges that, via Order No. PSC-98-0174-FOF-EU, the Commission directed Gulf Power and GCEC to enter into procedures and guidelines which were ultimately developed by the parties and embodied in the Territorial Agreement which was approved pursuant to the Territorial Order. Gulf further acknowledges that Gulf Power and GCEC had been engaged in territorial litigation prior to issuance of Order No. PSC-98-0174-FOF-EU. Gulf Power rejects GCEC's implication, through selective citation of caselaw, that

Gulf Power's improper actions resulted in the directive to adopt procedures and guidelines. Indeed, GCEC had a history of territorial violations. <u>See, e.g., In re: Petition of Gulf Power</u> <u>Company involving a territorial dispute with Gulf Coast Electric Cooperative</u>, Order No. 12858, Docket No. 830154-EU, dated Jan. 10, 1984 (awarding service to Gulf Power on basis of GCEC's uneconomic duplication of Gulf Power's facilities); <u>Gulf Coast Electric Coop. v.</u> <u>Florida Public Serv. Comm'n</u>, 462 So.2d 1092 (Fla. 1985) (Court upheld Commission's award of service to Gulf Power and affirmed Commission's ruling that Gulf Coast had uneconomically duplicated Gulf Power's existing facilities).

10. Gulf Power acknowledges that GCEC and Gulf Power presented the Territorial Agreement to the Commission for approval in 2000 in response to the Commission's previous direction via Order No. PSC-98-0174-FOF-EU. Gulf Power denies that the Territorial Agreement was approved in 2002. Rather, it was initially approved on April 9, 2001 via Order No. PSC-01-0891-PAA-EU. Gulf Power acknowledges that the Territorial Agreement became part of the Commission's Territorial Order.

11. Not contested.

12. Gulf Power acknowledges only that Territorial Agreement speaks for itself.

13. Gulf Power acknowledges only that Territorial Agreement speaks for itself.

14. Gulf Power denies GCEC's suggestion that detailed Cost of Service calculations must be performed and finalized <u>before</u> a requested Utility can provide notice to the other Utility pursuant to section 2.3(a) of the Territorial Agreement. According to the plain language of the agreement, the only prerequisite to the provision of such notice is a "belie[f]" by the requested Utility "that its Cost of Service would not be significantly more than that of the other Utility." <u>See, § 2.3 of the Territorial Agreement</u>. In the instant case, it is undisputed that neither utility

had existing facilities in close proximity to the Lift Station. As previously noted, Gulf Power's nearest facilities were approximately 11,000 feet away while GCEC's were approximately 8,000 feet way. Given the comparatively modest disparity in distances between Gulf Power's and GCEC's existing facilities, it was certainly reasonable, based on engineering experience and high level cost estimates, for Gulf to believe that its Cost of Service would not exceed GCEC's by more than 25 percent. Had GCEC requested a meeting to compare costs, as was its option under Section 2.3(b) of the Territorial Agreement, Gulf Power would have finalized its cost estimates prior to the meeting date and compared the same to GCEC's estimates. With respect to the remainder of paragraph 14, Gulf Power acknowledges only that Territorial Agreement speaks for itself.

15. Gulf Power denies GCEC's contention that an initial notice provided pursuant to Section 2.3(a) of the Territorial Agreement must include "the size of the Load to be served, the precise location of the Point of Delivery, and the precise location of the requested Utility's Existing Facilities." Nowhere do any of GCEC's self-manufactured requirements appear in the Territorial Agreement. Section 2.3(a) of the Territorial Agreement simply states that "the requested Utility is to notify the other Utility of the Customer's request, providing all relevant information." Gulf Power's October 20<sup>th</sup> notification clearly referenced section 2.3(a) of the parties' agreement, the existence of a request for electrical service, the type of load to be served and the approximate location of the lift station. Gulf Power's notice referenced a Parcel ID rather than a physical address because an internet search of the physical address depicts the location of the subject property as being four driving miles and more than three aerial miles away from its actual location. <u>See, Exhibit "G</u>." Contrary to GCEC's contentions, Gulf Power's reference to a Parcel ID was intended to provide additional clarity; not to obfuscate. Gulf's notice was clearly

sufficient to alert GCEC to the existence of a request under the Territorial Agreement, to enable GCEC to request additional information, if any, which it believed to be relevant, and/or to inform Gulf Power that it believed the notice to be deficient. Through inadvertence or otherwise, GCEC did not respond to Gulf Power's notice. Had it chosen to do so, and had it requested the information which GCEC now claims is "absolutely imperative," Gulf Power would have endeavored to provide such information. Having failed to respond or object in any way, GCEC cannot now be permitted to attack the adequacy of the notice. With respect to the remainder of paragraph 15, Gulf Power acknowledges only that Territorial Agreement speaks for itself.

16. Denied. Gulf Power has honored its customer's request for service as it is entitled to do under the plain language of Section 2.3(b) of the Territorial Agreement and extended service to the customer as it is entitled to do under the plain language of Section 2.4 of the Territorial Agreement.

17. Gulf Power is without knowledge as to the precise nature or timing of communications between GCEC and Bay County or the content or results of GCEC's internal reviews and therefore denies the same. Gulf Power has seen no evidence that Bay County or any other party "requested" electric service for the Lift Station from GCEC. Gulf Power further denies that a purported request for service made in December 2017 -- nearly two months after Gulf Power received a bona fide request for service -- bears any relevance to the determinative issue in this proceeding which is whether GCEC is foreclosed from objecting to Gulf's provision of service by the plain terms of Section 2.3(b) of the Territorial Agreement.

18. Gulf Power acknowledges that: (i) GCEC's Existing Facilities are approximately
 8,000 feet from the Lift Station; (ii) Gulf Power's Existing Facilities are approximately 11,000

feet from the Lift Station; (iii) GCEC has stated that its Cost of Service for the Lift Station is \$17,393.28; and (iv) Gulf Power provided, without waiving its position that a cost comparison was irrelevant and unnecessary, GCEC with a preliminary estimate of \$76,000 for Gulf's Cost of Service. Gulf Power denies that GCEC's actual Cost of Service is \$17,393.28 and demands proof of the same if the Commission determines Cost of Service to be relevant. Among other things, Gulf observes that GCEC's stated labor costs equal \$12,517.83 as compared to Gulf's estimated labor costs of \$61,000.00. Gulf Power further denies that GCEC's or Gulf Power's respective Costs of Service bear any relevance to the dispositive issue in this proceeding which is whether GCEC is foreclosed from objecting to Gulf's provision of service by the plain terms of Section 2.3(b) of the Territorial Agreement.

19. Gulf Power acknowledges that GCEC's Existing Facilities are approximately 3,000 feet closer to the Lift Station than those of Gulf Power. Gulf Power denies that GCEC's Cost of Service is significantly less than Gulf Power's and demands proof of the same if the Commission determines Cost of Service to be relevant. Gulf Power further denies that GCEC's or Gulf Power's respective Costs of Service bear any relevance to the dispositive issue in this proceeding which is whether GCEC is foreclosed from objecting to Gulf's provision of service by the plain terms of Section 2.3(b) the Territorial Agreement.

20. Gulf Power denies that GCEC received a request to serve the Lift Station and demands proof of the same if the Commission determines the matter to be relevant. Gulf Power further denies that a purported request for service made in December 2017 -- nearly two months after Gulf Power received a bona fide request for service -- bears any relevance to the dispositive issue in this proceeding which is whether GCEC is foreclosed from objecting to Gulf's provision of service by the plain terms of Section 2.3(b) of the Territorial Agreement. With respect to the

remainder of paragraph 20, Gulf Power acknowledges only that that the Territorial Agreement speaks for itself.

21. Gulf acknowledges that GCEC provided Gulf Power with a notice on January 8, 2018, a copy of which was previously attached to this Answer as <u>Exhibit "H</u>." Given the distinct similarities between GCEC's notice and Gulf Power's October 20<sup>th</sup> notice and their identical method of delivery, Gulf Power finds it curious that GCEC is now contending that Gulf Power's notice was inadequate. With respect to the remainder of paragraph 21, Gulf Power acknowledges only that the Territorial Agreement speaks for itself.

22. Denied. Among other things, this assertion erroneously presumes that GCEC was the requested Utility.

23. Gulf Power is without knowledge concerning GCEC's mental state or intentions with respect to the subject mentioned. Regardless, GCEC's mental state or intentions do not bear any relevance to the dispositive issue in this proceeding which is whether GCEC is foreclosed from objecting to Gulf's provision of service by the plain terms of Section 2.3(b) of the Territorial Agreement. Section 2.3(b) does not require an examination of the other Utility's mental state or intentions in failing to respond to notice from the requested Utility. Absent a response within the contractually mandated timeframe, "the requested Utility may agree to provide service." § 2.3(b) of the Territorial Agreement. GCEC does not deny having received Gulf Power's October 20<sup>th</sup> notice. GCEC's failure to respond, whether through inadvertence or otherwise, is determinative of the issue and forecloses the need for further inquiry into Cost of Service or other matters under the Territorial Agreement.

24. Denied that GCEC received a request for service in December 2017. Gulf Power is without knowledge as to GCEC's mental state or awareness in December 2017 and, therefore, denies the same. Gulf Power acknowledges that it received a bona fide request for service in October 2017. Denied that Gulf Power's October 20<sup>th</sup> notice was insufficient or that Gulf Power failed to provide GCEC with relevant information. Gulf's notice was clearly sufficient to alert GCEC to the existence of a request under the Territorial Agreement, to enable GCEC to request additional information, if any, which it believed to be relevant, and/or to enable GCEC to notify Gulf Power of its belief that the notice was deficient. Through inadvertence or otherwise, GCEC did not respond to Gulf Power's notice. Had it chosen to do so, and had it requested the information which GCEC now claims is "absolutely imperative," Gulf Power would have endeavored to provide such information. Having failed to respond or object in any way, GCEC cannot now be permitted to attack the adequacy of the notice.

25. Gulf Power is without knowledge as to whether there was agreement in 2000 concerning the manner in which notice could be provided under Section 2.3(a) of the Territorial Agreement. Gulf Power has seen no evidence to suggest that the parties or the Commission foreclosed the use of email as a mode of notice. Indeed, the Territorial Agreement is silent with respect to the manner of providing notice. Regardless, in the absence of a Commission-approved amendment to the agreement specifying a required form of notice, any agreement (or lack thereof) in that regard between the parties would be irrelevant from a contractual standpoint. Moreover, as a practical matter, Gulf notes that electronic mail is a commonly recognized and accepted form of business communication. Many, if not most, business communications occur via electronic mail, as evidenced by the multitude of written communications between the parties

with respect to the instant dispute including GCEC's own January 8, 2018, notice to Gulf under the Territorial Agreement.

26. Gulf Power has seen no evidence to suggest that the parties or the Commission foreclosed the use of email as a mode of notice. Indeed, the Territorial Agreement is silent with respect to the manner of providing notice. Regardless, in the absence of a Commission-approved amendment to the agreement specifying a required form of notice, any agreement (or lack thereof) in that regard between the parties would be irrelevant from a contractual standpoint. Moreover, as a practical matter, Gulf notes that electronic mail is a commonly recognized and accepted form of business communication. Many, if not most, business communications occur via electronic mail, as evidenced by the multitude of written communications between the parties with respect to the instant dispute, including GCEC's own January 8, 2018, notice to Gulf under the Territorial Agreement.

27. Denied. Gulf Power's October 20<sup>th</sup> notification clearly referenced section 2.3(a) of the parties' agreement, the existence of a request for electrical service, the type of load to be served and the approximate location of the lift station. Gulf Power's notice referenced a Parcel ID rather than a physical address because an internet search of the physical address depicts the location of the subject property as being four driving miles and more than three aerial miles away from its actual location. <u>See, Exhibit "G</u>." Contrary to GCEC's contentions, Gulf Power's reference to a Parcel ID was intended to provide additional clarity; not to obfuscate. Gulf's written notice was clearly sufficient to alert GCEC to the existence of a request under the Territorial Agreement, to enable GCEC to request additional information, if any, which it believed to be relevant, and/or to enable GCEC to notify Gulf Power of its belief that the notice was deficient. Through inadvertence or otherwise, GCEC did not respond to Gulf Power's

notice. Had it chosen to do so, and had it requested the information which GCEC now claims is "absolutely imperative," Gulf Power would have endeavored to provide such information. Having failed to respond or object in any way, GCEC cannot now be permitted to attack the adequacy of the notice.

28. Gulf Power acknowledges that the Gulf Power employee who sent the October 20<sup>th</sup> notice had not communicated with GCEC's Vice President of Engineering prior to October 20, 2017. Gulf Power denies the relevance of the assertions contained in paragraph 28. Irrespective of whether the two had engaged in prior communications, it was reasonable for Gulf Power to expect that GCEC's Vice President of Engineering would be aware of the Territorial Agreement and would be an appropriate point of contact for receipt of notice. Moreover, Gulf Power's October 20<sup>th</sup> notice clearly evidenced that it originated from Gulf Power and included the employee's contact information in the signature block. GCEC could easily have telephoned or replied via email with any questions or concerns. GCEC did not do so and, having failed to do so, cannot now be permitted to attack the adequacy of the notice.

29. Gulf Power is without knowledge as to the specific "correspondence" with "others" referenced in paragraph 29 and, therefore, denies and demands proof of the same if the Commission determines such matters to be relevant. Gulf Power acknowledges corresponding with the customer in certain instances where the physical address of the Lift Station was referenced because it was the customer's typical practice to identify the Lift Station in that fashion. There was no need to attempt to provide greater precision in this correspondence because the customer possessed prior knowledge of the Lift Station. As explained previously, Gulf Power's notice to GCEC referenced a Parcel ID rather than a physical address because an internet search of the physical address depicts the location of the subject property as

being four driving miles and more than three aerial miles away from its actual location. <u>See</u>, <u>Exhibit "G."</u> Contrary to GCEC's contentions, Gulf Power's reference to a Parcel ID was intended to provide additional clarity; not to obfuscate.

30. Denied. GCEC's assertion is belied by its own acknowledgments in the Complaint. Notably, the additional lift station in western Bay County referenced in this paragraph was sufficiently close to Gulf Power's Existing Facilities that Gulf was permitted to serve it under Section 2.2 of the Territorial Agreement without providing <u>any</u> notice to GCEC. Having acknowledged in paragraph 30 of the Complaint that it was aware of the additional lift station and its close proximity to Gulf's Existing Facilities at the time of Gulf's October 20<sup>th</sup> notice and having acknowledged in paragraphs 20-21 of its Complaint that notice to the other Utility is not required under Section 2.2 of the Territorial Agreement, GCEC cannot credibly contend that it mistook the October 20<sup>th</sup> notice as pertaining to the additional lift station. Given this lift station's proximity to Gulf's Existing Facilities, GCEC knew, or should have known, that Gulf would not have provided written notice concerning this lift station.

31. Gulf Power acknowledges only that the Territorial Agreement speaks for itself.

32. Gulf Power acknowledges, as stated in the correspondence referenced, that Gulf Power had not "finaliz[ed]" cost estimates for its facilities prior to sending its October 20<sup>th</sup> notice. Gulf Power denies that it was required under Section 2.3 of the Territorial Agreement to finalize its own cost estimates or perform any formal cost estimates of GCEC's facilities prior to providing the October 20<sup>th</sup> notice. According to the plain language of the agreement, the only prerequisite to the provision of such notice was a "belie[f]" by the requested Utility "that its Cost of Service would not be significantly more than that of the other Utility." See, § 2.3 of the

Territorial Agreement. In the instant case, neither utility had existing facilities in close proximity to the Lift Station. As previously noted, Gulf Power's nearest facilities were approximately 11,000 feet away while GCEC's were approximately 8,000 feet way. Given the comparatively modest disparity in distances between Gulf Power's and GCEC's existing facilities, it was certainly reasonable, based on engineering experience and high-level cost estimates, for Gulf to <u>believe</u> that its Cost of Service would not exceed GCEC's by more than 25 percent. Had GCEC requested a meeting to compare costs, as was its option under Section 2.3(b) of the Territorial Agreement, Gulf Power would have finalized its cost estimates prior to the meeting date and compared the same to GCEC's estimates.

33. Gulf Power acknowledges that it was still in the process of finalizing its cost estimates to serve the lift station on February 7, 2018. Had GCEC requested a meeting to compare costs following Gulf's October 20<sup>th</sup> notice, as was its option under Section 2.3(b) of the Territorial Agreement, Gulf Power would have finalized its cost estimates prior to the meeting date and compared the same to GCEC's estimates.

34. Denied. Gulf Power developed the referenced cost estimates in advance of a March 8, 2018, meeting with GCEC which, without waiving its position that a cost comparison was irrelevant and unnecessary, Gulf agreed to hold for the purpose of comparing cost data. Upon arriving at the meeting, Gulf Power was surprised to learn that GCEC had no intention of comparing cost data. Indeed, GCEC did not offer any cost data or even discuss relative costs during this meeting, a meeting which it had requested for the stated purpose. Nevertheless, after discussions between the parties and as a courtesy, Gulf Power agreed to share this information via email and did so on March 12, 2018.

35. Denied. GCEC's creative interpretation of Section 2.3(e) is inconsistent with its true purpose and leads to absurd and illogical results. A purpose of this provision is to serve as a stop-gap measure in the unusual event that: (i) The requested Utility satisfies one or more of the cost tests in Section 2.3(d), and would therefore otherwise be entitled to serve the customer; (ii) the requested Utility is more than 10,000 feet from the Point of Delivery; and (iii) the other Utility's Existing Facilities are <u>abutting the Customer's premises</u>. GCEC's suggestion that this provision forecloses Gulf's ability to serve merely because GCEC's Existing Facilities are located approximately <u>8,000 feet away</u> from the Point of Delivery in a roadway which happens to abut the Point of Delivery is without merit. Under GCEC's flawed logic, Gulf Power would still be foreclosed from serving the customer if Gulf Power's Existing Facilities were 11,000 feet away from the Point of Delivery. Such a result would be wholly inconsistent with the purpose and intent of the Territorial Agreement.

36. Gulf Power denies that GCEC's actual Cost of Service is \$17,393.28 and demands proof of the same if the Commission determines Cost of Service to be relevant. Among other things, Gulf observes that GCEC's stated labor costs equal \$12,517.83 as compared to Gulf's estimated labor costs of \$61,000.00. Gulf Power further denies that GCEC's or Gulf Power's respective Costs of Service bear any relevance to the dispositive issue in this proceeding which is whether GCEC is foreclosed from objecting to Gulf's provision of service by the plain terms of Section 2.3(b) of the Territorial Agreement.

<sup>&</sup>lt;sup>4</sup> For clarity, Gulf Power reiterates that its Existing Facilities are located in the <u>same</u> road rightof-way which houses GCEC's Existing Facilities.

37. Gulf Power denies that its cost calculations were "made in March of 2017." As explained in paragraph 34 above, Gulf Power finalized its initial cost estimates in advance of a March 8, 2018 meeting and emailed the same to GCEC on March 12, 2018. Gulf Power denies that GCEC's actual Cost of Service is \$17,393.28 and demands proof of the same if the Commission determines Cost of Service to be relevant. Among other things, Gulf observes that GCEC's stated labor costs equal \$12,517.83 as compared to Gulf's estimated labor costs of \$61,000.00. Gulf Power further denies that GCEC's or Gulf Power's respective Costs of Service bear any relevance to the dispositive issue in this proceeding which is whether GCEC is foreclosed from objecting to Gulf's provision of service by the plain terms of Section 2.3(b) of the Territorial Agreement.

38. Denied. In light of the fact that Gulf Power has been presented with a bona fide request for service and the fact that the customer is at a stage where the need for electric service is imminent, Gulf Power has undertaken efforts to provide such service, including extension of facilities to provide power. In spite of GCEC's allegations to the contrary, these efforts do not amount to a violation of the Territorial Order or Territorial Agreement. Gulf Power's extension of facilities is entirely consistent with the plain terms of Section 2.4 of the Territorial Agreement which provides in relevant part that "during a period of unresolved dispute, the requested Utility may provide temporary service to the Customer or may elect to request the other Utility to provide temporary service to the Customer and either means of temporary service shall be without prejudice to either Utility's position in the dispute as to which Utility will provide permanent service."

39. Denied.

40. Gulf Power acknowledges the accuracy of the statements made in this paragraph and Gulf Power is likewise prepared to mediate pursuant to section 120.573, Florida Statutes, should the Commission determine that mediation is available.

WHEREFORE, Gulf Power respectfully requests that the Commission enter an order denying GCEC's prayer for relief and declare that Gulf Power Company, having provided written notice as required by section 2.3(a) of the Territorial Agreement and receiving no response or objection thereto within the contractually required timeframe, is entitled under the plain language of the Territorial Agreement to furnish electric service at the sewage Lift Station located on Parcel ID 26597-000-000 in Bay County, Florida.

Respectfully submitted this 30th day of May, 2018.

<u>Isl Steven R. Griffin</u> JEFFREY A. STONE General Counsel Florida Bar No. 325953 jastone@southernco.com Gulf Power Company One Energy Place Pensacola, FL 32520-0100 (850) 444-6550

RUSSELL A. BADDERS Florida Bar No. 007455 rab@beggslane.com STEVEN R. GRIFFIN Florida Bar No. 0627569 srg@beggslane.com Beggs & Lane P. O. Box 12950 Pensacola FL 32591-2950 (850) 432-2451 Attorneys for Gulf Power

### EXHIBIT A

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### PROCEDURES AND GUIDELINES FOR AVOIDING FURTHER UNECONOMIC DUPLICATION OF FACILITIES

It is expected that the utilization of these procedures and guidelines will help Gulf Coast Electric Cooperative, Inc. ("GCEC") and Gulf Power Company ("Gulf Power") avoid further uneconomic duplication of the facilities of each other, in accordance with the policy and rules of the Florida Public Service Commission ("Commission"). Accordingly, these procedures and guidelines are intended for use by the parties to assist in determining whether or not they should agree to honor the request for electric service by a Customer or should otherwise proceed with the construction of additional facilities. If, by constructing the facilities to provide service to a Customer requesting such service, there is a reasonable expectation that uneconomic duplication of facilities would occur, a Utility may deny service to the Customer and direct the Customer to request service from the Utility whose provision of such service would not be expected to result in uneconomic duplication.

#### SECTION I: DEFINITIONS

- 1.1 <u>Cost of Service</u>. As used herein, the term "Cost of Service" shall mean the initial cost of the construction (including fully-Loaded labor, materials, engineering and supervision overheads, etc.) of the modification or addition of facilities required to provide requested service to the Customer less any initial payments by the Customer as a contribution in aid to construction.
- 1.2 <u>Customer</u>. As used herein, the term "Customer" shall mean any person or entity requesting electrical service and who is intending to be responsible for or who is acting on behalf of the intended responsible party for a building or other facility (e.g. electromechanical equipment, contiguous group of premises, etc.) requiring such electrical service.
- 1.3 <u>Existing Facilities</u>. As used herein, the term "Existing Facilities" shall mean the Utility's nearest facilities that are of a sufficient size, character (number of phases, primary voltage level, etc.) and accessibility so as to be capable of serving the anticipated Load of a Customer without requiring any significant modification of such facilities.
- 1.4 Load. As used herein, the term "Load" shall mean the connected Load stated is terms of kilovolt-amperes (kVA) of the building or facility for which electrical service is being requested.
- 1.5 <u>Point of Delivery</u>. As used herein, the term "Point of Delivery" shall mean that geographical location where the Utility's anticipated facilities that would be used to deliver electrical power to a Customer begin to constitute what is commonly referred to as the service drop or service lateral, i.e. it is the point at which the Utility's primary or secondary facilities would terminate and the service drop or service lateral would commence. For a facility with multiple meter points, "Point of Delivery" shall mean that

> geographical location at which the primary circuit to serve the facility begins to branch out into sub-circuits to reach the various meter points.

1.6 Utility. As used herein, the term "Utility" shall mean either GCEC or Gulf Power, each of which is an electric Utility under the provisions of Chapter 366 of the Florida Statutes having electrical facilities within the region of a Customer's location so as to be considered by that Customer as a prospective provider of electric energy delivery services.

### SECTION II: AGREEING TO PROVIDE REQUESTED SERVICE

- 2.1 Whether or not a Utility's provision of electric service to a Customer would result in further uneconomic duplication of the other Utility's facilities is primarily dependent upon whether or not there is a significant difference in the Cost of Service for each of the utilities. The likelihood of there being a significant difference in the Cost of Service is primarily a function of the size of the Load and the difference in distances between the Point of Delivery and the Existing Facilities of each Utility. Consequently, upon receiving a bona-fide request for service from a Customer, a Utility may agree to provide the requested service if the conditions of either Section 2.2 or Section 2.3 below are met. Otherwise, the Utility should direct the Customer to request service from the other Utility.
- 2.2 Various Load and distance criteria under which a Utility may agree to provide service are as follows:
  - (a) For any size Load where the requested Utility's Existing Facilities are within 1,000 feet of the Point of Delivery or are no more than 1,000 feet further from the Point of Delivery than the Existing Facilities of the other Utility.
  - (b) For a Load greater than 100 kVA where:
    - the construction required is predominantly the addition of new pole line and the requested Utility's Existing Facilities are no more than 1,500 feet further from the Point of Delivery than the Existing Facilities of the other Utility, or
    - (ii) the construction required is predominantly the upgrade of existing pole line (e.g. phase additions, reconductoring, etc.) and the requested Utility's Existing Facilities are within 3,000 feet of the Point of Delivery.
  - (c) For a Load greater than 500 kVA where:
    - (i) the construction required is predominantly the addition of new pole line and the requested Utility's Existing Facilities are no more than 2,000 feet further from the Point of Delivery than the Existing Facilities of the other Utility, or

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- (ii) the construction required is predominantly the upgrade of existing pole line (e.g. phase additions, reconductoring, etc.) and the requested Utility's Existing Facilities are within 4,000 feet of the Point of Delivery.
- (d) For a Load greater than 1000 kVA where:
  - the construction required is predominantly the addition of new pole line and the requested Utility's Existing Facilities are no more than 2,500 feet further from the Point of Delivery than the Existing Facilities of the other Utility, or
  - (ii) the construction required is predominantly the upgrade of existing pole line (e.g. phase additions, reconductoring, etc.) and the requested Utility's Existing Facilities are within 5,000 feet of the Point of Delivery.
- 2.3 In any instance where the-Load and distance criteria of Section 2.2 are not met but the requested Utility believes that its Cost of Service would not be significantly more than that of the other Utility, the following procedure shall be used to determine if the requested Utility may agree to provide service:
  - (a) The requested Utility is to notify the other Utility of the Customer's request, providing all relevant information about the request.
  - (b) If the other Utility believes that its facilities would be uneconomically duplicated if the request is honored, it has five (5) working days from receipt of notice to request a meeting or other method to be conducted within ten (10) working days for the purpose of comparing each Utility's Cost of Service. Absent such a request or upon notification from the other Utility of no objection to the requested Utility's providing the service, the requested Utility may agree to provide service.
  - (c) At the meeting scheduled pursuant to 2.3(b) or in some other mutually acceptable method, each Utility is to present to the other Utility its estimated Cost of Service, including all supporting details (type and amount of equipment, labor rates, overheads, etc.). For Loads greater than 1,000 kVA, information as to the percentage of substation and feeder capacity that will be utilized and the amount and nature of the cost allocations of such utilization included in the Cost of Service are to be provided.
  - (d) Upon agreement as to each Utility's Cost of Service, the requested Utility may agree to provide service to the Customer if either of the following conditions are met:
    - (i) The requested Utility's Cost of Service does not exceed the other Utility's Cost of Service by more than \$15,000.
    - (ii) The requested Utility's Cost of Service does not exceed the other Utility's Cost of Service by more than twenty-five percent (25%).

- (e) Notwithstanding the other provisions of this Section 2.3, no Utility shall agree to provide service to a Customer under the provisions of this Section 2.3 if the Load is less than or equal to 1000 kVA, the requested Utility's Existing Facilities are further than 10,000 feet from the Point of Delivery, and the other Utility's Existing Facilities are located in a roadway or other right-of-way abutting the Customer's
  - premises.
- 2.4 The requested Utility bears the primary responsibility in determining whether or not the provisions of Section 2.2 or Section 2.3 above have been met or if it otherwise believes that service can be provided to a Customer without uneconomic duplication of the other Utility's facilities. Should the other Utility dispute such determinations and believe that uneconomic duplication of its facilities will occur or has occurred, every effort should be made by the two utilities to resolve the dispute, up to and including mediation before the Commission Staff and, if necessary, expedited hearing before the Commission. During a period of unresolved dispute, the requested Utility may provide temporary service to the Customer or may elect to request the other Utility to provide temporary service to the Utility's position in the dispute as to which Utility will provide permanent service.

#### SECTION III: CUSTOMER RELIABILITY AND POWER QUALITY

While one Utility may have existing distribution facilities nearer to a Customer's Point of Delivery than the other Utility, reliability of service and power quality to the individual Customers are important. In the application of the provisions of Section II above, engineering criteria must be considered in the decision as to whether the requested Utility should agree to serve the Customer. Substation distance from the Point of Delivery and Load capacity of impacted substations in each case should be considered. Wire size and its capacity and capabilities should also be considered. All other system engineering design and criteria should be reviewed in each Utility's facilities.

### SECTION IV: CUSTOMERS PRESENTLY SERVED BY ANOTHER UTILITY:

A Utility shall not construct nor maintain electric distribution lines for the provision of electric service to any Customer then currently being provided electric service by the other Utility. If, however, a Customer that has historically required single-phase service disconnects and the new Customer locating there requires three-phase service, Section II above may apply.

### SECTION V: DISTRIBUTION SYSTEM EXTENSIONS & UPGRADES

A Utility will, from time to time, have distribution system extensions or upgrades necessary and prudent from an engineering standpoint for reliability and Customer service. While recognizing this, these extensions or upgrades should be performed only when necessary

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for these reasons and not be put in place to position the Utility for future anticipated development. These system upgrades are defined to be capital projects justified and approved for construction following a Utility's normal administrative budgetary channels and procedures, and documentation for such will be provided to the other Utility upon written request. Connecting points on a Utility's distribution system must be for reliability and coordination purposes only. The connecting distribution line may not serve Customers within 1,000 feet of the Existing Facilities of the other Utility that were in place at the time of that system upgrade.

### EXHIBIT B

| Contacts   | Contact Level  | C Custor               | ner                 |                             |
|--|--|------------------------|---------------------|-----------------------------|
| Date   | Туре   | A                      | ddress              | Contact Nam                 |
|  | Deposit Maintained - Connect Issued  | 1900 W HIGHWAY 388, LI | FT STATION SOUTHPOF | RT FL 3 ST JOE CORPORATIO   |
|  |  |                        |                     |                             |
|  |  |                        |                     |                             |
|  |  |                        |                     |                             |
|  | 11   |                        |                     |                             |
|  |  |                        |                     |                             |
| -Contact Information<br>Name:  | ST JOE CORPORATION   |                        |                     |                             |
|  | personal and the second s | Extension:             | 9999                | Contact Type:               |
| Name:<br>Phone:<br><sub> </sub> -Critical Contact-                               | ST JOE CORPORATION (850) 231-6465  |                        | 9999                |                             |
| Name:<br>Phone:  | ST JOE CORPORATION   | Extension:             | 9999                | Contact Type:<br>User Name: |
| Name:<br>Phone:<br>Critical Contact-<br>I Yes<br>Comments:                       | ST JOE CORPORATION<br>(850) 231-6465<br>Expiration Date:   |                        | 9999                |                             |
| Name:<br>Phone:<br>Critical Contact-<br>I Yes<br>Comments:<br>Rachel Childs w/ t | ST JOE CORPORATION (850) 231-6465  | 2 business             | 9999                |                             |
| Name:<br>Phone:<br>Critical Contact-<br>I Yes<br>Comments:<br>Rachel Childs w/ t | ST JOE CORPORATION<br>(850) 231-6465<br>Expiration Date:<br>tax id called 11/13 to conn service, adv will conn 1-  | 2 business             | 9999                |                             |

# EXHIBIT C



January 17, 2018

Joshua Rogers, PE Engineering Supervisor II Gulf Power Company 780 East Highway 98 Panama City, Florida 32401

Re: 388 Lift Station Electrical Service 1900 Hwy 388 West

Dear Josh,

Please consider this letter as formal notification and confirmation of our intent to have Gulf Power provide electrical service to the above-referenced location.

Sincerely, & Mecine

Bridget Precise Vice President Development & Regulatory Affairs

cc: Don Hamm, Bay County Utilities

## EXHIBIT D



January 17, 2018

Mr. C. Peyton Gleaton Jr., PE Vice President of Engineering Gulf Coast Electric Cooperative, Inc. 9424 Hwy 77 P.O. Box 8370 Southport, Florida 32409

Re: 388 Lift Station Electrical Service 1900 Hwy 388 West

Dear Peyton,

Please consider this letter as formal notification and confirmation of our intention to secure electrical service for the above-referenced location with another electrical service provider.

Sincerely,

Let lecesé

Bridget Precise Vice President Development & Regulatory Affairs

cc: Don Hamm, Bay County Utilities

# EXHIBIT E



## EXHIBIT F

From: Rogers, Joshua R. Sent: Friday, October 20, 2017 1:22 PM To: <u>pgleaton@gcec.com</u> Subject: Electrical Service Request

Mr. Gleaton,

Pursuant to section 2.3(a) of the agreement between Gulf Power and GCEC, I am notifying GCEC of a customer's request for electrical service from Gulf Power for a new lift station on parcel 26597-000-000. Construction would not result in any duplication of facilities.

Thanks,

Joshua Rogers, PE Gulf Power Company • Engineering Supervisor II Office: 850.872.3309 • Cell: 850.554.6583 MyGulfPower.com Stay connected with Gulf Power



# EXHIBIT G

Distance between lift station and Googled location of the site address by driving:



Aerial distance between lift station and Googled location of the site:



# EXHIBIT H

From: Peyton Gleaton [mailto:pgleaton@gcec.com] Sent: Monday, January 8, 2018 2:09 PM To: Rogers, Joshua R. <<u>JROGERS@southernco.com</u>> Cc: Peyton Gleaton <<u>pgleaton@gcec.com</u>> Subject: Lift Station at 1900 Hwy 388 W

#### Joshua,

Please accept this email as notice that a consumer has requested Gulf Coast Electric Cooperative provide power to their proposed lift station at 1900 Hwy 388W in Bay County, pursuant to section 2.3(a) of our agreement. Extension of our lines to serve this customer would not result in any duplication of facilities.

Thank you,

### C. Peyton Gleaton Jr., PE

Vice President of Engineering Gulf Coast Electric Cooperative, Inc. 9424 Hwy 77 P.O. Box 8370 Southport, Florida 32409 850.265.3631 x3053 850.265.3634 Fax

# EXHIBIT I

From: Rogers, Joshua R. Sent: Friday, January 12, 2018 3:25 PM To: 'pgleaton@gcec.com' <<u>pgleaton@gcec.com</u>> Subject: RE: Lift Station at 1900 Hwy 388 W

Mr. Gleaton:

Gulf Power previously received a request for electrical service for the specified location and provided written notice of the same to Gulf Coast Electric Cooperative on October 20, 2017 as required by section 2.3(a) of the parties' territorial agreement. A copy of Gulf Power's 10/20/17 notice is attached for reference. GCEC did not respond to Gulf's notice within the contractual timeframe as required by section 2.3(b) of the parties' agreement and has therefore waived any right to serve the subject location. Moreover, Gulf Power has begun preparations to serve the location and confirmed with the customer that their request for Gulf Power to serve remains in effect. We therefore object to GCEC serving the specified location.

Thanks,

Josh Rogers Gulf Power Company • District Engineering Supervisor Office: 850.872.3309 • Cell: 850.554.6583 MyGulfPower.com Stay connected with Gulf Power

### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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IN RE: Complaint against Gulf Power Company for expedited enforcement of territorial order, by Gulf Coast Electric Cooperative, Inc.

Docket No.: 20180125-EU

### **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic and U.S. mail this 30th day of May, 2018 to the following:

D. Bruce May, Jr. Tiffany A. Roddenberry Holland & Knight LLP 315 S. Calhoun Street, Suite 600 Tallahassee, FL 32301 <u>bruce.may@hklaw.com</u> tiffany.roddenberry@hklaw.com J. Patrick Floyd 408 Long Avenue Post Office Drawer 950 Port St. Joe, FL 32456-0950 j.patrickfloyd@jpatrickfloyd.com Mary Anne Helton Deputy General Counsel Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 <u>mhelton@psc.state.fl.us</u>

<u>/s/ Steven R. Griffin</u> JEFFREY A. STONE General Counsel Florida Bar No. 325953 jastone@southernco.com Gulf Power Company One Energy Place Pensacola, FL 32520-0100 (850) 444-6550

#### **RUSSELL A. BADDERS**

Florida Bar No. 007455 rab@beggslane.com STEVEN R. GRIFFIN Florida Bar No. 0627569 srg@beggslane.com Beggs & Lane P. O. Box 12950 Pensacola FL 32591-2950 (850) 432-2451 Attorneys for Gulf Power