

JUL 11 1994
FILED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to resolve)
territorial dispute with Gulf) Docket No. 930885-EU
Coast Electrical Cooperative, Inc.) Filed: July 8, 1994
by Gulf Power Company)
_____)

PREHEARING STATEMENT OF GULF POWER COMPANY

Gulf Power Company ["Gulf Power", "Gulf", or "the Company"], by and through its undersigned attorneys, and pursuant to Rule 25-22.038(3), Florida Administrative Code, files this prehearing statement, saying:

A. APPEARANCES:

G. EDISON HOLLAND, JR., Esquire, JEFFREY A. STONE, Esquire, and TERESA E. LILES, Esquire, of Beggs & Lane, 700 Blount Building, 3 West Garden Street, P. O. Box 12950, Pensacola, Florida 32576-2950
On behalf of Gulf Power Company.

DOCUMENT NUMBER-DATE
06787 JUL-8
FPSC-RECORDS/REPORTING 087

B. WITNESSES: All witnesses known at this time, who may be called by Gulf Power Company, along with the subject matter and issue numbers which will be covered by the witness' testimony, are as follows:

Witness	Subject Matter	Issues
<u>(Direct)</u>		
1. W.C. Weintritt	Adequacy, Reliability, and Cost to Provide Service; Description of Disputed Area	1-15
<u>(Rebuttal)</u> ¹		
2. W.F. Pope	Comparative Load Profile	2, 5, 6
3. M.W. Howell	Intercompany Inter-Change Contract	6
4. W.C. Weintritt	Relative Reliability and Cost; History of Service to Disputed Area	3, 6-8, 10, 14
5. J.E. Hodges	Economic Development; History of Service to Disputed Area; Customer Choice	3, 7, 8, 10, 11, 14

¹Gulf has filed a Motion to Limit Scope of Issues or, in the Alternative, to Extend Time for Filing Rebuttal Testimony in this docket. If the Commission determines that the issues in this docket should be expanded beyond the scope of Gulf Power's Petition, then Gulf has requested that it be allowed to file additional rebuttal testimony in response to those expanded issues addressed in the testimony of the Coop witnesses.

C. EXHIBITS²:

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
<u>(WCW-1)</u>	Weintritt	Gulf Power Company's Proposal to Department of Corrections
<u>(WCW-2)</u>	Weintritt	Letter from H.W. Norris to William Howell, Jr.
<u>(JEH-1)</u>	Hodges	Letter from Vic L. Jones to Marvin Moran; Letter from Travis Bowden to Jim Morris

D. STATEMENT OF BASIC POSITION

Gulf Power Company's Statement of Basic Position:

It is the basic position of Gulf Power Company that it is more capable of providing adequate and reliable electric service, at less cost to both the Department of Corrections and to the general body of ratepayers, than Gulf Coast Electrical Cooperative, Inc. The construction activities undertaken by the Coop in attempting to serve the correctional facility constitute uneconomic duplication of Gulf's existing facilities. Based on all relevant criteria, the Commission should award the right to serve the correctional facility to Gulf Power Company.

²Gulf Power's exhibit list may also be amended based on the Commission's ruling on the Company's Motion to Limit Scope of Issues described in n. 1.

E. STATEMENT OF ISSUES AND POSITIONS

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

GULF: The site of the Washington County correctional facility near the intersection of State Highways 77 and 279 in south Washington County. (Weintritt)

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

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

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

GULF: Neither utility has historically provided electrical service to the site of the correctional facility. Gulf Power has provided service in Washington County since its beginning as an electric utility in 1926. Since 1971, Gulf has had facilities in the disputed area and adjacent to the site, which are adequate to serve the Department of Corrections. Prior to 1981, all electrical power in Washington County was provided by Gulf Power either at the retail or wholesale level. (Weintritt, Hodges)

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

GULF: Gulf Power has three-phase, 25 kv lines bordering the site of the correctional facility along Highways 77 and 279. These distribution lines can be served from either the Vernon or Sunny Hills substations. The Vernon substation transformer is rated 11,550 kva, with a peak load of 2,870 kva and a reserve capacity of 8,680 kva. The Sunny Hills substation transformer is rated 24,640 kva, with a peak load of 2,263 kva and reserve capacity of 22,377. The distribution line rating is 11,644 kva. These facilities currently serve both commercial and industrial customers in the area. The Coop's facilities prior to their construction to serve the correctional facility consisted of a radial distribution line from a substation located in northern Bay County. This line was located along the east side of Highway 77, across the street from Gulf Power's existing three-phase line which was adjacent to the prison site. (Weintritt)

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

GULF: Gulf would not have to extend any new lines from its existing facilities, or add any generation, transmission, or distribution capacity, in order to provide the prison with temporary and permanent three-phase electric service. The Coop, however, had to construct approximately 4,000 feet of three phase line along Highway 279, parallel to Gulf's existing facilities, in order to reach the point of service for the correctional facility. (Weintritt, Pope)

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

GULF: Yes. However, Gulf Power is more capable of providing adequate and reliable service due to its excellent history of transmission and distribution reliability, and dual feed capability from the Vernon and Sunny Hills substations. (Weintritt, Pope, Howell)

ISSUE 7: Which party is capable of providing more reliable electrical service to the correctional facility site?

GULF: Gulf Power Company. See the Company's position on Issue 6, above. (Weintritt, Pope, Hodges)

ISSUE 8: What would be the cost to each utility to provide electric service to the correctional facility?

GULF: Gulf Power's additional costs would be nominal, since it would only have to tap its existing line for a "service drop" to the facility. Gulf Power has not received information which it has requested from the Coop which reflects the Coop's cost to construct the approximately 4,000 feet of additional three-phase distribution line along Highway 279, crossing Gulf's existing facilities, in order to serve the facility. (Weintritt)

ISSUE 9: What would be the effect on each utility's ratepayers if it were not permitted to serve the existing facility?

GULF: Gulf's ratepayers would continue to incur the costs of existing facilities sufficient to serve the correctional facility, while the facility itself will pay higher costs for electric service due to the Coop's higher rates and duplication of Gulf's existing facilities. (Weintritt)

ISSUE 10: Which party is capable of providing electric service to the correctional facility site at the lowest rate to the Department of Corrections?

GULF: Gulf Power Company. (Weintritt, Hodges)

ISSUE 11: What is the customer preference for electric service to the correctional facility?

GULF: The real customer here is the Department of Corrections. The Department of Corrections, however, delegated its choice to Washington County. The Board of County Commissioners then selected the Coop due to a \$45,000 grant from the Coop to the County in connection with the purchase of land for the facility. (Weintritt, Hodges)

ISSUE 12: Does unnecessary and uneconomic duplication of electric facilities exist in the disputed area?

GULF: Yes. See Gulf's position on Issues 4, 5 and 8. (Weintritt, Pope)

ISSUE 13: Do the parties have a formal territorial agreement that covers the disputed area?

GULF: No. (Weintritt)

ISSUE 14: Which party should be permitted to serve the disputed area? What conditions, if any, should accompany the commission's decision?

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

ISSUE 15: Should this docket be closed?

GULF: Yes.

F. STIPULATED ISSUES

GULF: Yet to be determined.

G. PENDING MOTIONS

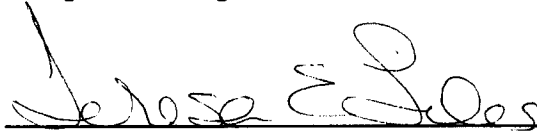
GULF: Gulf currently has pending before the Commission a Motion to Limit Scope of Issues or, in the Alternative, to Extend Time for Rebuttal Testimony, and a Motion to Strike as to portions of the Coop witnesses' testimony.

H. OTHER MATTERS

GULF: If other issues are raised for determination at the hearings presently set for August 15, 1994, Gulf respectfully requests and/or reserves the right to submit additional statements of position and, if necessary, file additional testimony.

Dated this 14 day of July, 1994.

Respectfully submitted,



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Certificate of Service

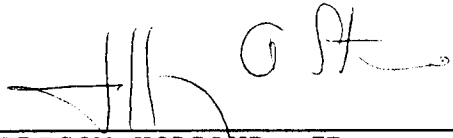
I HEREBY CERTIFY that a copy of the foregoing has been furnished this 7th day of July 1994 by U.S. Mail or hand delivery to the following:

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