

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In RE: Petition to Resolve)
Territorial Dispute with Gulf Coast)
Electric Cooperative, Inc. By) Docket No. 930885-EU
Gulf Power Company)

REBUTTAL TESTIMONY
OF
ARCHIE W. GORDON
ON BEHALF OF
GULF COAST ELECTRIC COOPERATIVE, INC.

December 20, 1996

1 Q. WHAT IS YOUR NAME?

2 A. Archie W. Gordon

3 Q. ARE YOU THE SAME ARCHIE W. GORDON WHO HAS GIVEN DIRECT
4 TESTIMONY IN THIS DOCKET UPON PREVIOUS OCCASIONS?

5 A. I am

6 Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?

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A. The purpose of this testimony is to rebutt the allegations made in the direct testimony of William C. Weintritt previously filed on October 15, 1996 and that of Theodore S. Spangenberg, Jr. and also filed on October 15, 1996.

Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY?

A. I will show that the territorial guidelines that Mr. Weintritt states have "worked well" have in fact not worked well, at least not for both parties. I will demonstrate

1 that the reliability comparison made by Mr. Weintritt is inappropriate and is
2 irrelevant for the disputed areas. I will also show that Mr. Spangenberg's multiple
3 load category of establishing a territorial boundary is totally unworkable. Finally,
4 I will demonstrate that contrary to the positions taken by Mr. Holland and Mr.
5 Spangenberg, existing facilities consisting of single and multi-phase lines do in fact
6 establish a traditional or historic service area which another utility should not be
7 allowed to intrude upon because of the immediate and upstream uneconomic dupli-
8 cation of the facilities of the other utility that would be permitted.

9 **Q. WHAT PORTION OF MR. WEINTRITT'S DIRECT TESTIMONY DO YOU**
10 **QUESTION?**

11 A. On page 1, lines 18 thru 22 Mr. Weintritt states in essence that for nearly 50 years
12 the previous method used to determine whether Gulf Power or Gulf Coast would
13 provide service to customers in Northwest Florida has "worked well". As a basis
14 for this statement Mr. Weintritt introduces Exhibit (WCW-3) which is the Gulf
15 Power Company Contract for Electric Service Resale by Gulf Coast Electric
16 Cooperative, Inc. dated December 1, 1947, Exhibit (WCW-4) which is the
17 FERC Electric Tariff dated June 15, 1979 and Exhibit (WCW-5) the Gulf Coast
18 Resolution terminating service from Gulf Power Company on June 1, 1981.

19 **Q. WHY DO YOU QUESTION THE USE OF EXHIBIT (WCW-3) TO**
20 **ILLUSTRATE THAT THE CUSTOMER SERVICE DETERMINATION**
21 **WORKED WELL?**

22 A. The question is, "worked well for whom?"

1 Gulf Coast Electric Cooperative had received electric service for
2 resale months prior to the date of December 1, 1947. Electric distribution
3 facilities had been constructed from Bayou George metering point or what is
4 now John Pitts Road and adjacent to the intersection of Sections 3, 4, 9, & 10,
5 T3S, R13W, easterly to Wewahitchka, Allanton, White City, etc. and northerly
6 and westerly to Bayhead, Bennett, Fountain, Southport, Crystal Lake, Wausau,
7 Ebro, etc. During the course of Gulf Coast's initial contract construction of
8 electrical distribution lines, project control was under the supervision of
9 Southern Engineering Company of Atlanta, Georgia. Gulf Power Company for
10 some reason decided to intervene in the Southport area which was not yet
11 energized. Completion of a water crossing from Bayhead to Resota Beach had
12 been delayed and the temporary lack of connecting facilities in turn delayed
13 initial electric service by Gulf Coast Electric Cooperative for a short time.
14 Gulf Power Company seized upon this opportunity and dispatched construction
15 crews into the town of Southport. These crews began to construct electric
16 distribution lines, hang transformers and run service drop wire to houses. Some
17 of the houses had Gulf Coast Electric Cooperative service drop wires attached.
18 For an electric source Gulf Power relied upon a submarine cable crossing under
19 North Bay from Lynn Haven to Southport at a location approximately 2000 feet
20 east of the SR77 bridge (or Bailey Bridge). This cable terminated in Southport
21 at the south end of Grassy Point Road.
22 Gulf Coast was able to energize its feeder first and thereby secure a majority of

1 the potential Southport customers. Gulf Power was ultimately unable to complete
2 the submarine cable and could not supply initial electrical service to anyone in
3 Southport. Gulf Power then withdrew from contention as a power supplier in the
4 Southport area but firmly insisted upon the purchase by and reimbursement for
5 Gulf Power Company facilities from Gulf Coast.

6 **Q. IS THERE ANY RECORD TO SUBSTANTIATE THIS?**

7 A. Town Map 3-33 Southport recorded the inventory of both company's facilities
8 by Southern Engineering Map dated 1/5/46 and reported "the Gulf Power
9 facilities as compiled from Gulf Power Company map D-1207. I attach a copy
10 of this map as "Exhibit (AWG-9)":

11 Project Florida 34 "A" Bay, "As built" was recorded as 1-19-46.

12 Detail Map 3-33 indicates the "Gulf Power Company submarine cable" crossing
13 under North Bay and the Gulf Power Company overhead electric distribution lines
14 installed along the streets in Southport. I attach a copy of this map as "Exhibit
15 (AWG-10)".

16 The end result was Gulf Coast had to fund and finance two electric distribution
17 systems in order to secure the revenue from the one group of Southport customers.

18 Detail map 3-33 carries a revision dated 12-1-47 "B" PROJECT RECORD MAP.

19 This is the same date as entered on Exhibit (WCW-3).

20 **Q. WERE THERE ANY OTHER RECORDS TO CONFIRM THIS**
21 **OCCURRENCE?**

22 A. Yes, among the maps and records provided to me in 1949 was a type written

1 sheet containing a description of land lines which were capable of being
2 reproduced on a map. There was also a paper print of a map showing the area
3 of Bay County around John Pitts Road where the delivery point for electric
4 energy was described in Article 3 of the contract designated Exhibit (WCW-3).

5 **Q. WHAT BECAME OF THOSE TWO ITEMS?**

6 A. I placed them back where I found them; into the same drawer of a steel map
7 cabinet at the Gulf Coast office in Wewahitchka for safe keeping.

8 **Q. DID YOU EVER HAVE OCCASION TO SEE OR UTILIZE EITHER**
9 **THE DESCRIPTION OR MAP AGAIN?**

10 2 A. Yes, but only the map. Gulf Coast requested that I prepare a plan for integrating
11 3 the two electrical systems indicated on Town Map 3-33 from the file and I
12 located the paper print of the partial Bay County map between the two linen maps.
13 At that time I compared all three maps but did not associate any connection between
14 the Southport detail and town maps and the partial Bay County map. The
15 integration plan was made, the work done and the record maps modified. If the
16 tariff provisions in effect during the Southport incident were similar to the ones
17 dated 12-1-47 they didn't work well for anyone! It was a lose-lose situation. It
18 may, however, have contributed to a temporary standoff of sorts and the adoption of
19 the 12-1-47 tariff agreement.

20 **Q. DID THE TERRITORIAL DISPUTES END WITH THAT EPISODE?**

21 A. No, and I specifically recall one arising out of the 12-1-47 tariff provisions.

22 **Q. DESCRIBE THAT FOR US PLEASE.**

1 A. Approximate to January, 1954, I received a telephone call from Mr. Joe Flint who
2 was then manager of Gulf Coast. He informed me that a Mr. Smith, an official of
3 Gulf Power, had provided him with the information that J. B. Converse and Co.,
4 Inc., Engineers of Mobile, Alabama, had inquired of Gulf Power as to electric
5 power availability to serve a water pumping station and that Gulf Power had
6 determined it to be located in the area served by Gulf Coast according to our
7 agreement (Tariff of 12-1-47)
8 Mr. Smith had further, and in good faith I believe, referred Mr. H. E. Myers,
9 President of J. B. Converse and Company to Mr. Flint and Gulf Coast.
10 I requested Mr. Flint to refer Mr. Myers to my office should he call.
11 He did call and I subsequently supplied by letter dated February 10, 1954 the
12 estimated KVA demands and KWH usage over a projected 20 year period.
13 The proposed location map arrived on February 15, 1954. The location map bore
14 no title block so I entered that day's date and title information upon the face of it.
15 I attach a copy of the location map provided as Exhibit (AWG-11).
16 There were three (3) alternate service sites indicated on the map. They were:
17 Site 1, Econfina Creek (approximate to Camp Flowers)
18 Site 2, Bayou George (approximately 3 miles north of substation.)
19 Site 3, An unnamed bayou lying on the fresh water side of Deerpoint Dam
20 and to the southeast of the dam (approximately 4 miles south of
21 Bayhead.)
22 Cost studies and applicable commercial rates were prepared and submitted to

1 J. B. Converse. As time progressed, maps of the impoundment dam and spillway
2 were supplied to Gulf Coast (dated 10/4/56), Feasibility Report (Day and
3 Zimmerman, Inc. 3/25/57).

4 Nine years later Mr. H. E. Myers updated the electrical load data and requested
5 the proposed rate be reviewed for current conditions. The proposed rate extended
6 in 1954 was reconfirmed as still applicable and valid on August 7, 1963.

7 Mr. A. D. Cullifer, Manager of Gulf Coast from 1957 thru 1969, had followed
8 the construction progress of the impoundment dam, spillway and water pumping
9 station. The Gulf Coast facility had existed from Bayhead to Highpoint and then
10 south to an unnamed bayou lying on the fresh water side of Deerpoint Dam and to
11 the southeast of the dam since May of 1952. This line had been converted from 2
12 wire single phase to 4 wire three phase 25 KV. As completion neared Mr.
13 Cullifer saw to it that a one span water crossing over an unnamed bayou lying on
14 the fresh water side of Deerpoint Dam and to the southeast of the dam was
15 installed. A 1500 KVA transformer bank was installed adjacent to the service
16 drop location.

17 Meanwhile, Gulf Power became dissatisfied with their own staff interpretation
18 of the tariff provisions dated 12/1/47 or such other agreements as the Gulf Power
19 staff felt were in effect approximate to January, 1954, when a Mr. Smith of Gulf
20 Power referred J. B. Converse and Company to Gulf Coast.

21 Gulf Power rephased their electric facility along the north side of U.S. 231 and
22 constructed a new three phase side tap approximately two miles to serve the Bay

1 County water supply pumping station.

2 It being apparent that Gulf Power intended to provide electric service in disregard
3 of their prior reference of the load to the coop, Gulf Coast sought judicial relief
4 thru a request for temporary injunction on November 15, 1963. Evidence that
5 Gulf Coast had proposed lower rates than those published by and available from
6 Gulf Power, that the Gulf Coast facility was in place and ready for service and
7 that Gulf Power had referred the load to Gulf Coast after determining it to be
8 served by Gulf Coast according to "our agreement" was presented to the court but
9 the judge denied the motion and Gulf Power provided service to the
10 pumping station. A hearing for a permanent injunction was scheduled for
11 February 4, 1964 and was later delayed.

12 During this interim period, on January 23, 1964 I was called upon to respond to
13 Mr. W. R. Shertzer, Chief Operations Branch, Rural Electrification
14 Administration, Washington, D. C. and supplied details of the load and revenue
15 data for the proposed Bay County water project. This response included a
16 detail of the increased cost to Bay County should the higher Gulf Power rates be
17 accepted. A copy of this letter is attached as Exhibit (AWG-12).

18 **Q. WHAT HAPPENED AT THE HEARING FOR PERMANENT**
19 **INJUNCTION?**

20 A. The final hearing began some time after February 4, 1964. Routine evidence was
21 presented such as the load being referred to Gulf Coast by Gulf Power; the service
22 location map provided by J. B. Converse; the comparative cost of power and the

1 savings to Bay County of \$5,900 per year at initial usage and \$10,000 to \$22,000
2 per year as the load developed according to the estimates; and finally to Gulf
3 Power's Mr. Smith who had referred to "the area to be served by Gulf Coast
4 according to our agreement". I was questioned by Gulf Power's counsel as to:
5 (1) whether I knew that Mr. Smith was since deceased?, (2) whether I knew if J.
6 B. Converse Co. had shown Mr. Smith the same load location map provided to
7 Gulf Coast?, and (3) had I ever seen any written documents or maps that would
8 support the contention that there was an "agreement"?

9 I remembered the type written sheet and the paper print of a map found filed with
10 Detail Map 3-33 and town map 3-33 Southport and answered "yes".

11 **Q. WHAT WERE THE DESCRIPTION AND THE PRINT OF A PORTION**
12 **OF BAY COUNTY?**

13 A. I confirmed that the description was of certain land lines drawn on the partial map
14 of Bay County. The vicinity was of John Pitts Road, which was at the delivery
15 point for the electric energy described in the tariff, Exhibit (WCW-3), and for
16 several miles around.

17 **Q. WHAT HAPPENED THEN?**

18 A. Gulf Power's representative and counsel requested a recess and a short conference
19 with Gulf Coast's representative and counsel.

20 **Q. DO YOU KNOW WHAT WAS DISCUSSED?**

21 A. At least the part which occurred in my presence.

22 **Q. TELL US ABOUT IT.**

1 A. Gulf Power's counsel produced a law book and began reading selected sections
2 concerning restraint of trade, anti-trust laws, price fixing, etc. and the penalties
3 therefore. The latter included revocation of charter and the right to do business.

4 **Q. WHAT DID THIS LEAD TO?**

5 A. A request for continuance and we all went home.

6 **Q. WHAT HAPPENED TO THE DISPUTE OVER THE WATER PUMPING
7 STATION LOAD?**

8 A. It remained connected to the Gulf Power system.

9 **Q. WERE THERE OTHER SMALL INCIDENTS OF CONSUMER SERVICE
10 DISPUTES?**

11 A. Yes but I was not aware of them all.

12 **Q. WERE THERE ANY OTHER MAJOR DISPUTES OF TERRITORIAL
13 RIGHTS?**

14 A. Yes.

15 **Q. CAN YOU PROVIDE US INFORMATION ABOUT THAT?**

16 A. Approximate to April 1971, I read a news release that Deltona Corporation
17 Development had acquired property and was planning to open a new development
18 in South Washington County. This was news of interest to me because I was also
19 system engineer for Withlacoochee River Electric Cooperative at Dade City,
20 Florida and Sumter Electric Cooperative at Sumterville, Florida. Mackle
21 Development had initiated three projects in the areas served by these
22 cooperatives. One project was in Hernando County and was named "Spring

1 Hill"; one was in Marion County and was named "Marion Oaks"; the third was in
2 Citrus County and was named "Citrus Springs".

3 I had served as system engineer for both of the two cooperatives and had total
4 electrical design responsibility over Spring Hill and Citrus Springs. I had also
5 set design parameters and retained engineering design review control over
6 Marion Oaks.

7 I also knew most of the active participants in the working team at Deltona.

8 Mr. C. E. "Ray" Roberts was then manager of Gulf Coast Electric. We conferred
9 and Mr. Roberts requested that I secure an appointment for him with Mr. Arthur
10 Day, who was engineer and surveyor for Deltona Development in Miami, Florida.
11 I called Mr. Day by telephone and made a tentative appointment for Mr. Roberts
12 to meet with him on May 4, 1970. This date was revised to May 11, 1970 by
13 memo request dated April 29, 1970. A copy of this memo is attached as Exhibit
14 (AWG-13).

15 The Gulf Coast Manager's meeting with Mr. Day and others resulted in a request
16 for a general policy meeting with Mr. William O'Doud, Jr. and the appropriate
17 officers of Deltona. The request of May 18, 1970 for the meeting is self-
18 explanatory and a two page copy is attached as Exhibit (AWG-14).

19 Mr. Roberts corresponded with me on August 4, 1970 concerning assistance from
20 Mr. Erle W. McGough, Manager of Withlacooche River Electric concerning a
21 meeting with Jim Vensel or Robert Mackle, Jr. A one page copy of this is
22 attached as Exhibit (AWG-15).

1 I responded to a request to meet with a Mr. H. Skeet Benton, consulting engineer,
2 Panama City, Florida, who had the contract with Deltona to do the local survey
3 and platting. On August 28, 1970, I documented the visit by letter, assured Mr.
4 Benton that the power for the Deltona project in all events would be as generated
5 and delivered over Gulf Power high voltage transmission lines.

6 I acknowledged the magnitude of the project and laid out the assurance that Gulf
7 Coast would provide such new facilities as are necessary. Mr. Benton was
8 provided with several prints of the underground and overhead systems at Spring
9 Hill and Citrus Springs as well as the substation demand capacity which was
10 established in the Spring Hill development where three (3) substations were
11 utilized. A two page copy of this Skeet Benton's letter is attached as Exhibit
12 (AWG-16).

13 Gulf Coast Manager Roberts addressed Mr. Carol E. Hinkley's concern about
14 parity of rates between Deltona Sunny Hills development and those of residents
15 in Panama City. The letter of December 8, 1970 is self explanatory and concludes
16 that a mass housing consumer classification is justified and an appropriate rate
17 "SCHEDULE AX" was submitted. Rates comparisons were attached to
18 illustrate Sunny Hills electric bills @ 1000 KWH/mo/customer would be 8%
19 lower than those residing in Panama City. A five (5) page copy of the Carol
20 Hinkley letter of December 8, 1970 is attached as Exhibit (AWG-17).

21 Approximate to March 1971 Gulf Power began construction of a distribution line
22 to serve Sunny Hills development in South Washington County. The closest

1 power lines with any capacity were at Vernon, Florida, approximately nine (9)
2 miles as the crow flies. Gulf Power managed to find a route that required about
3 sixteen (16) miles of three phase distribution line construction initially just to
4 reach the designated substation site. Gulf Coast again sought judicial relief and
5 filed suit in circuit court. The case was heard in Panama City.

6 Gulf Coast retained an expert from Atlanta to assist in the preparation and
7 presentation of evidence. This expert was Barney E. B. Snowden of Southern
8 Engineering, Fla P.E. #2106, the same Barney E.B. Snowden who initialed
9 "BEBS" on Detail Map 3-33, Exhibit (AWG-9) and Town Map 3-33 - Southport,
10 Exhibit (AWG-10).

11 March, 1971 was the first visual interest Gulf Power had made in the area south
12 of Vernon and east of Hicks Pond.

13 Mr. Snowden made record of construction as of the date March 19, 1971. I

14 attach a one (1) sheet copy of this record of construction as my exhibit (AWG-18).

15 Gulf Power constructed a facility parallel to the existing facilities of Gulf Coast
16 for 7.7 miles of the 12.7 mile distance to the entrance of Sunny Hills

17 development. In doing so Gulf Power crossed their lines over the Gulf Coast

18 lines a total of eighteen times en route. Gulf Power further utilized three sets of

19 cascaded voltage regulators for voltage correction plus a "step up" substation

20 to raise a portion of the line to 25KV and thereby reduce voltage drop on the

21 portion of new 3 phase line from Moss Hill Church on Road 279 to the substation

22 site near Gap Pond.

1 **Q. WHAT HAPPENED TO THE SUIT FILED IN CIRCUIT COURT?**

2 A. It was heard in due time and the judge ruled that "both parties" had the right to
3 to compete for the loads in the area. Gulf Coast was compromised in that it had
4 pioneered the extension of electric service in and around the Sunny Hills area, but
5 with the prospect of high density development, Gulf Power used "competition"
6 as an excuse for initial intrusive construction into an area already being
7 adequately served by Gulf Coast.

8 Then in addition to the duplication of Gulf Coast's facilities on Highway 279 and
9 Highway 77, because the facilities it had built were inadequate to reliably serve
10 the load in Sunny Hills, Gulf Power then had to build approximately 6 miles of
11 115KV "H" frame transmission line, and a 25,000 KVA substation which is now,
12 after 25 years, loaded to about 3000 KVA or 12% of rated capacity, representing
13 even further duplication of Gulf Coast's facilities. The tariff in effect, specifically
14 the one referenced by Mr. Weintritt in his direct testimony as Exhibit (WCW-3),
15 did not work well at all.

16 **Q. COULD GULF POWER NOT JUSTIFY THE LINE BUILT FROM**
17 **VERNON ON THE BASIS OF RELIABILITY TO PROVIDE AN**
18 **ALTERNATE SOURCE TO THE SUBSTATION CONSTRUCTED AT**
19 **SUNNY HILLS?**

20 A. No. The line built from Vernon to Sunny Hills, as indicated by the presence of
21 three (3) sets of cascading voltage regulators, was not capable of serving much
22 load and therefore would not have been a reliable back-up source to Sunny Hills.

1 However, the Sunny Hills substation would have provided an excellent alternate
2 source for the line from Vernon to Sunny Hills and provides improved reliability
3 for the numerous consumers that Gulf Power now serves between Vernon and
4 Sunny Hills. Thus, it's likely that Gulf Power's real motivation in building the
5 line from Vernon to Sunny Hills was to justify an intrusion into the area
6 historically served by Gulf Coast.

7 **Q. WHAT WAS THE NEXT DEVELOPMENT IN REGARDS TO THE**
8 **TARIFF PROVISIONS?**

9 B. Please recall now the Bay County water pumping station which Gulf Power had
10 served in 1963 and the Sunny Hills development which they served in spring,
11 1971. Gulf Coast had been able to propose rates substantially equal to those of
12 Gulf Power at Sunny Hills and lower by thousands of dollars per month at the Bay
13 water pumping station.

14 Gulf Power decided to make a substantial increase in the cost of power sold to
15 Gulf Coast. Details are illustrated by a memo to Gulf Coast Electric
16 Cooperative's Board of Trustees from Gulf Coast Manager C. E. "Ray" Roberts
17 and dated December 2, 1971 or about nine months after the Sunny Hills incident.
18 A copy of this 9 page memo is attached as Exhibit (AWG-19). The request for
19 increase was analyzed to be \$214,508.02 per year or 81.23% of their current
20 wholesale cost.

21 The rate increase request was made to the Federal Power Commission about
22 12/1/71 and led to the FERC Electric Tariff dated June 15, 1972. These pages of

1 paragraph 14 are attached to the direct testimony of William C. Weintritt as
2 Exhibit (WCW-4). To my knowledge this was the first time that any applicable
3 tariff had addressed the demand characteristics of a new load when considering
4 the retail service by Gulf Power or Gulf Coast.

5 In all events, the resulting increase in wholesale rates and the provisions for
6 service to any load of substantial capacity left Gulf Coast in a non-competitive
7 position.

8 **Q. FOR WHAT PERIOD OF TIME DID THIS CONDITION EXIST?**

9 A. Even until this Florida Public Service Commission Docket 930885-EU.

10 **Q. DO YOU PERSONALLY FAVOR A TERRITORIAL BOUNDARY**
11 **DEFINED BY A LINE ON THE GROUND RATHER THAN PROVIDED**
12 **BY THE WORDED DESCRIPTION OF G. EDISON HOLLAND, JR.'S**
13 **EXHIBIT (GEH-3)?**

14 A. Yes, because the worded description of the "territorial" policy statement, Exhibit
15 (GEH-3) does not provide a boundary as such. It only provides the framework for
16 the next series of disputes to be brought before the Florida Public Service
17 Commission. The worded description contains provisions similar to those that
18 allowed Gulf Power Company to lay submarine cable across North Bay from
19 Lynn Haven to Southport; that encouraged Gulf Power to refer the Bay County
20 water pumping station load to Gulf Coast for service and then, after the Gulf
21 Coast facilities were complete and ready for service, reverse and revoke Gulf
22 Power's referral of the service location to Gulf Coast; and, that allowed Gulf

1 Power to build to Sunny Hills Development by crossing over Gulf Coast facilities
2 eighteen times, add a substation that is now loaded to about 12% of rated capacity
3 and construct miles of 115KV transmission line.

4 **Q. HOW DIFFERENTLY WOULD GULF COAST HAVE SERVED SUNNY**
5 **HILLS?**

6 A. Gulf Coast had already served the Sunny Hills vicinity since about 1950. The
7 cooperative had secured the necessary right of way, cleared the same right of
8 way, and installed all power lines sufficient to supply all load demand in the area.
9 Excessive investment of a speculative nature would have been met through line
10 conversion of the distribution facilities upon request by the adjacent developers.
11 That is the way Gulf Coast would have done it had they been allowed to do so.

12 **Q. WHAT OTHER TESTIMONY OF WILLIAM C. WEINTRITT DO YOU**
13 **TAKE EXCEPTION TO?**

14 A. Mr. Weintritt's eagerness to involve the distribution reliability of Gulf Power's
15 Eastern Districts, in their entirety as he details it upon page 6, lines 18-25 and
16 page 27, lines 1 thru 10.

17 Mr. Weintritt has carefully restricted the extent of the disputed area in Bay and
18 Washington counties to a limited and specific number of Gulf Power system
19 distribution maps.

20 The Florida Public Service Commission staff has prior to this time inquired of
21 both parties as to service reliability within the disputed area and both parties have
22 responded according to staff request.

1 Now Mr. Weintritt wishes to compare the distribution reliability of Gulf Power
2 Company's eastern districts, which contain highly concentrated and
3 municipal areas, with the total system of Gulf Coast, which is primarily low
4 density rural areas.

5 **Q. WHAT DIFFERENCE DOES THIS MAKE?**

6 A. It is more difficult to provide maintenance to a rural area and there is more
7 weather exposure, etc. The inclusion of the cities, towns and other mass develop-
8 ments contained in Gulf Power's eastern districts assures the calculation of a
9 higher basic service reliability than had these highly concentrated loads been
10 excluded because of their non rural characteristics.

11 **Q. WHAT IS YOUR CONCLUSION ON THIS MATTER?**

12 A The Florida Public Service Commission Staff utilized the correct approach and
13 questions. The service reliability for the disputed area has already been
14 established. Mr. Weintritt's inclusion of all areas in his comparison does not
15 mean Gulf Power will provide the same service reliability in a rural area that
16 it now does in a concentrated or conglomerated area.

17 **Q. DO YOU TAKE OTHER EXCEPTIONS TO MR. WEINTRITT'S DIRECT**
18 **TESTIMONY?**

19 A. Yes. On page 11 Mr. Weintritt refers to "--- flexible to meet future economic
20 conditions while offering the utilities the greatest incentives to maintain reliable
21 service at the lowest cost to the customer".

22 The proposed guidelines offer cause for the utilities to build as much system over

1 capacity as quickly as it can be accomplished in order that it overcomes the lack
2 of providing traditional electric service for decades past when it would have been
3 welcomed in the rural community.

4 **Q. WHAT PORTION OF MR. SPANGENBERG'S DIRECT TESTIMONY DO**
5 **YOU QUESTION?**

6 A. Briefly, the entirety.

7 **Q. WHY?**

8 A. I have been directly involved in territorial disputes, settlements, boundaries and
9 the resulting administration thereof approaching half a century. This is the
10 initial occasion which I have known it to be proposed that six load categories
11 with break points between infinity and zero at 50,000 KW, 10,000 KW, 50 KW
12 and 10 KW be established to define the basis for territorial lines to be drawn on
13 the ground with six sets of electrical facilities of different assumed capacities.

14 Six sets of system maps are to be drawn including only one potential load
15 category to each map, with costing applied to the facility type and capacity
16 required to serve the load category assigned to each map and then apply
17 "deminimus" costing to establish a line on the ground.

18 In layman's terms the map updating would require a once or twice per year
19 correction cycle and the subsequent filing and approval proceeding would
20 regularly require direct commission involvement.

21 **Q. IN HIS DIRECT TESTIMONY (PAGE 10, LINES 1-4, AND PAGE 6,**
22 **LINES 12-15) MR. HOLLAND ARGUES THAT THE LEAST DESIRABLE**

1 **MEANS OF ESTABLISHING A TERRITORIAL BOUNDARY IS ONE**
2 **BASED ON THE PRESENCE OF THE EXISTING FACILITIES IN AN**
3 **AREA, PARTICULARLY SINGLE-PHASE DISTRIBUTION LINES.**
4 **MR. SPANGENBERG MAKES SOME SIMILAR ARGUMENTS. DO**
5 **YOU AGREE WITH THESE ASSERTIONS?**

6 A. Absolutely not. In fact, I take the complete opposite view. To a great extent
7 the presence of an existing distribution network, consisting of single and multi-
8 phase distribution lines establishes the area where a utility has committed
9 itself and its resources to providing electric service. It also defines an area for
10 which the utility has planned and committed generation and transmission
11 resources to meet the load requirements.

12 Single-phase lines have everything to do with the way a traditional
13 or historic service area or presence is established. As electric service is
14 initially required in an unserved area, a utility usually initially extends
15 single-phase primary lines to serve sparsely located residences, farms, hunting
16 camps, miscellaneous related loads, etc. As the area develops and more homes
17 and other loads appear, commercial load develops to meet the needs of the
18 growing population in the area. Eventually, schools, churches, and other
19 public buildings are needed and appear, and eventually industries may locate
20 in the area to take advantage of the local workforce and other resources. As
21 the area develops in this ways the electric service requirements increase and
22 the utility begins to convert single-phase lines to multi-phase lines, increase

1 conductor sizes of existing lines, build new substations in load centers, etc.
2 Transmission and generating capacity must also be increased and the
3 expected loads of the developing area are used by the utility
4 to plan the transmission and generation facilities and to make
5 the commitments necessary to assure that adequate transmission and
6 generation is available when needed. Thus, the initially sparsely settled area
7 that only initially required single-phase service eventually evolves into one
8 that requires a more sophisticated system of single and multi-phase lines,
9 substations, relation transmission lines, and additional generating capacity.
10 Once a utility has established a network of distribution service facilities in
11 an area, even if the network consists initially of single-phase lines, the
12 commitment of the utility has been established. Because of the necessity for
13 the utility to continuously plan for the growing service needs and facilities
14 upgrade when needed, another utility should not be allowed to intrude upon the
15 area to serve the choice and higher density loads and thereby uneconomically
16 duplicate the facilities of the original utility supplier in the area which could more
17 economically expand its distribution facilities, if necessary, to serve the
18 growing load, and thus utilize the transmission and generation facilities
19 it has built or committed to, in order to meet the needs of the area.

20 **Q. WHY DO YOU THINK GULF POWER WOULD TAKE THE**
21 **OPPOSITE APPROACH?**

22 A. In my opinion, Gulf Power would take this same approach if another utility

1 were attempting to intrude upon Gulf Power's high density areas around
2 Panama City, Pensacola, etc. In the areas in question in this proceeding,
3 though, Gulf Power does not have a traditional and historic presence in
4 large parts of the areas in question. Gulf Power knows, though, that Gulf
5 Coast has been serving large portions of the so-called "disputed areas"
6 through facilities that require, based on the load and prudent planning
7 practices, only single-phase lines or a mixture of single-phase and multi-phase
8 lines. Gulf Power knows that these extend over large portions of south
9 Washington and Bay Counties and probably also recognizes that the historic
10 service area argument presented by Mr. Daniel, on behalf of Gulf Coast in his
11 direct testimony, is a powerful one. Gulf Power must, of necessity, argue against
12 the presence of existing facilities and particularly single-phase lines, in its efforts
13 to garner a larger service area in south Washington and Bay Counties.
14 Their arguments are not sound though, and the Commission should place
15 heavy emphasis on the presence of existing facilities, and the commitments
16 behind them in establishing a territorial boundary between Gulf Power and
17 Gulf Coast.

18 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

19 **A.** Yes sir, it does.

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK

Public Service Commission

Docket No. : 930885-EU

Docket Title: Petition to resolve territorial dispute with Gulf Coast Electric Cooperative, Inc. by Gulf Power Company

DN 13625-96: EXHIBIT (AWG-9): GULF COAST ELECTRIC COOPERATIVE, INC.; FLORIDA 34 BAY; DETAIL MAP, RURAL ELECTRIFICATION ADMINISTRATION

[CLK NOTE: MAP PORTION OF TESTIMONY EXHIBIT CAN BE FOUND IN MAPS MICROFILM.]

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STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK

Public Service Commission

Docket No. : 930885-EU

Docket Title: Petition to resolve territorial dispute with Gulf Coast Electric Cooperative, Inc. by Gulf Power Company

DN 13625-96: EXHIBIT (AWG-10): GULF COAST ELECTRIC COOPERATIVE, INC.; FLORIDA 34B BAY; DETAIL MAP, RURAL ELECTRIFICATION ADMINISTRATION

[CLK NOTE: MAP PORTION OF TESTIMONY EXHIBIT CAN BE FOUND IN MAPS MICROFILM.]

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STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK

Public Service Commission

Docket No. : 930885-EU

Docket Title: Petition to resolve territorial dispute with Gulf Coast Electric Cooperative, Inc. by Gulf Power Company

DN 13625-96: EXHIBIT (AWG-11)

[CLK NOTE: MAP PORTION OF TESTIMONY EXHIBIT CAN BE FOUND IN MAPS MICROFILM.]

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January 23, 1964

Mr. W. R. Shertzer, Chief
Operations Branch, Southeast Area
Rural Electrification Administration
U.S. Dept. of Agriculture
Washington 25, D.C.

Subject: Gulf Coast Electric Cooperative, Inc.
Florida 34 Bay

Dear Sir:

In response to your request for load and revenue on the proposed Bay County water project, I respond herewith.

On April 23, 1963, I was informed by J.B. Converse & Company, Inc. by letter signed by H.E. Myers, President, that the load would be:

Initial Demand: 250 to 300 KW
Initial Usage: 200,000 KWH
Future Usage: No estimate but over 600,000 KWH

On February 10, 1954 by similar letter I was informed that the load would be:

Load No.

Initial setup to 10 years

Demand: 150 to 225 KVA
Usage: 30,000 to 160,000 KWH

10 years to 20 years

Demand: 300 to 375 KVA
Usage: 200,000 to 300,000 KWH

20 years to ultimate

Demand: 1200 to 1600 KVA
Usage: 900,000 to 1,120,000 KWH

It is apparent that the nine years which have elapsed since 1954 has not retarded the need and demand for water but that the anticipated load has increased as originally projected, even though the facility was not in service.

FPSC Docket No. 930885 -EU
Exhibit (AWG - 12)

Based upon the above loads I have made an anticipated revenue calculation for Gulf Coast Electric Cooperative, Inc. according to the provisions of their proposal of February 10, 1954, as resubmitted on August 7, 1963. The results are as follows:

(with power company transformers)

<u>KWH</u>	<u>\$/Mo.</u>	<u>\$/Yr.</u>	<u>\$/5 Yr. Contract</u>
200,000	\$2,042.69	\$24,512.28	\$122,561.40
400,000	4,085.38	49,024.56	245,122.80
800,000	8,170.74	98,049.00	490,245.00
1,120,000	11,936.40	143,236.80	716,184.00

(with consumer furnished transformers)

<u>KWH</u>	<u>\$/Mo.</u>	<u>\$/Yr.</u>	<u>\$/5 Yr. Contract</u>
200,000	\$1,838.42	\$22,061.04	\$110,305.20
400,000	3,676.84	44,122.08	220,610.40
800,000	7,353.68	88,244.16	441,122.80
1,120,000	10,742.76	128,913.12	644,565.60

The above represents gross revenue less to Gulf Coast Electric Cooperative, Inc. if Gulf Power Company serves the load.

I have also made a search of published rates on file with the Florida RR and Public Utilities Commission as to the lowest costs available to Bay county thru Gulf Power Company Service. The approximate costs and a brief comparison is as follows:

(with consumer furnished transformers)

<u>KWH</u>	<u>\$/Mo.</u>	<u>\$/Yr.</u>	<u>\$/5 Yr. Contract</u>
200,000	\$2,330.24	\$27,962.88	\$139,814.40
400,000	4,569.12	54,829.44	274,147.20
800,000	9,046.70	108,560.40	542,802.00
1,120,000	12,607.64	151,291.68	756,458.40

It is observed that the above rates are substantially above the proposal which Gulf Coast Electric Cooperative, Inc. made in 1954 and reconfirmed in 1963. A tabulation of increased costs to Bay County due to service from Gulf Power Company is approximately as follows:

<u>KWH</u>	<u>\$/Mo.</u>	<u>\$/Yr.</u>	<u>\$/5 Yr. Contract</u>
200,000	\$491.82	\$5,901.84	\$29,509.20
400,000	892.28	10,707.36	53,536.80
800,000	1,693.02	20,316.24	101,581.20
1,120,000	1,864.88	22,378.56	111,892.80

I repeat, this essentially represents the direct increase in power cost to Bay County by accepting service from Gulf Power Company rather than Gulf Coast Electric Cooperative, Inc.

If you have further question, please call upon me.

Very truly yours,

MARION ENGINEERING ASSOCIATES, INC.



A. W. Gordon

AWG:tb

April 29, 1970

M E M O

*Deltona
Development*

To: Arthur Day

From: Archie Gordon

Dear Art:

Thank you for your courtesy and the promise to arrange the appointment.

After checking my calendar it will be well to consider the week of May 11 rather than the week of May 4 as we discussed. I hope this will not inconvenience the parties involved.

Thank you again for your courtesy.

AWG

FPSC Docket No. 930885 -EU
Exhibit (AWG - 13)

May 18, 1970

Mr. William O'Dowd, Jr.
The Deltona Corporation
3250 Southwest 3rd Avenue
Miami, Florida

Subject: Deltona Washington County Development

Dear Mr. O'Dowd:

This letter is written on behalf of Gulf Coast Electric Cooperative, Inc., Wewahitchka, Florida, in reference to the above designated project and by our firm as System Engineers for Gulf Coast Electric Coop. To further clarify our firms association, we are also System Engineers for Withlacoochee River Electric Cooperative, Inc., Dade City, Florida and have been responsible for all underground electric design for the Springhill Subdivision and the Citrus Springs Subdivision developments. We are therefore familiar with policies and procedures in such a development.

Our client in West Florida has been actively supplying electric service to properties adjacent to your holdings in Washington County for the past 20 years. The undersigned personally staked the distribution lines which are at present located on the property and further made all engineering design, financing schedules, loan applications, etc. No other supplier of electric service has been actively engaged in the distribution of electricity in any area even approximate to this.

As your development proceeds, it will need electric service and in order to provide this service with efficiency, the client will need to plan financially for facilities to be installed within the development. At this particular moment we are preparing a loan application for submission to the Rural Electrification Administration and it would be inopportune on all parties not to include adequate financing for facilities within your development. To be so included, the project should be reviewed generally with your company's officers as to policy intent and agreement as to requirements (not necessarily as to final design, etc.).

PPSC Docket No. 930885 .EU
Exhibit (AWE-14)

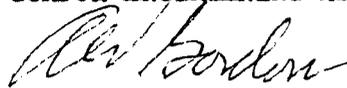
Mr. William O'Dowd, Jr.
Page 2
May 18, 1970

We respectfully request that you consider this letter as our request for a general policy meeting with the appropriate officers of your Corporation so that we might outline the advantageous services which the Cooperative will supply, i.e. no charge for underground electric, wiring allowances, etc. Should this meeting result in favorable agreement by both parties we will then be able to include the project in our current loan application to the Rural Electrification Administration and thereby expedite construction when your project reaches this stage.

We thank you for any consideration given this problem.

Very truly yours,

GORDON ENGINEERING ASSOCIATES, INC.



A. W. Gordon

AWG:tb
cc: Gulf Coast Electric Coop., Inc.



GULF COAST ELECTRIC COOPERATIVE, INC.

Wewahitchka, Florida 32465

August 4, 1970

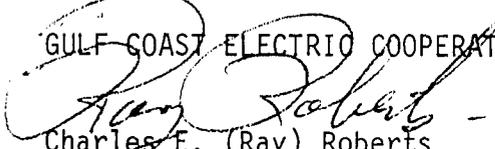
Mr. Archie Gordon
Gordon Engineering Associates, Inc.
P. O. Box 877
Ocala, Florida 32670

Dear Archie:

I talked with Mr. Erle McGough, manager of Withlacoochee River Electric Cooperative, Inc., in Atlanta on Monday and he is going to try to set up an appointment for us with Mr. Jim Vensel or Mr. Robert Mackle, Jr. so that we may submit our proposal to serve the Deltona complex. I will keep you advised if anything concrete materializes out of this.

Very truly yours,

GULF COAST ELECTRIC COOPERATIVE, INC.


Charles E. (Ray) Roberts
Manager

CER/11

FPSC Docket No. 930885 .E11
Exhibit (AWC - 15)

August 28, 1970

Mr. H. Skeet Benton
Benton Associates, Consulting Engineers Inc.
512 East 15th Street
Panama City, Florida

Subject: Deltona Corporation Development

Dear Mr. Benton:

I wish to thank you for the opportunity of meeting with you Thursday, August 27. In accordance with our conversation I would like to make the following comments.

Power for the project in all events will be as generated by Gulf Power Company and delivered over Gulf Power Company high voltage transmission lines. The magnitude of the development makes it impossible for the existing local distribution lines to carry such load and Gulf Coast Electric Cooperative, Inc. will provide such new facilities as are necessary.

Gulf Coast Electric Cooperative has existing distribution lines upon the property and recognizes that additional facilities as are needed by Deltona Corporation must be added. This is a simple matter of additional points of delivery from our power supplier and we anticipate no difficulty in making the necessary additions as the project progresses.

As to the number of substations or sources to be located within the ultimate project, this will depend upon ultimate occupancy and the individual usage of electricity by the consumer. A substation of approximately 12,000 KVA would be capable of serving approximately 4,000 consumers who used an average of 1,000 KWH per month per consumer. However, if the usage is double, the number of consumers which can be served will be approximately 1/2 that number. (Diversity at this number of consumers being almost a lineal function.) We trust that the physical layout and survey design will be adapted to multiple substation sites around the project.

I am enclosing for your examination several prints of design utilized for Spring Hill and Citrus Springs Subdivisions. The two key maps of these subdivisions show the first housing construction units where underground electric is installed. Indicated thereon is the overhead three phase facility which serves the underground electric distribution system. There is sufficient notation thereon to indicate lift stations, etc. where overhead service is required. You will note that pole lines are in general routed along back lot lines and are not set along streets and avenues.

FPSC Docket No. 730885 .EU
Exhibit (AWG 10)

Mr. H. Skeet Benton
Page 2
August 28, 1970

In order to comply with restricted easements we generally provide space upon the power poles for telephone underbuild should the telephone decide to go joint use.

Enclosed are sheets 4, 8 and 9 of Unit 2, Spring Hill Subdivision as placed on record in Hernando County, Florida. Following these three sheets is one design sheet indicating the location of the cable loop for the residential load in a portion of the area involved. The proposed location of facilities is according to easements provided within Spring Hill and Citrus Springs Subdivisions. Utilities installed within these easements include sewer, water, gas, telephone, TV cable and electric. I do not recommend that the easements be reduced in size unless some effort be made to relocate a portion of these facilities into the streets and avenues. Enclosed also is a print of one cable loop in Citrus Springs Subdivision.

In the past it has been our policy to make a preliminary design based upon the development unit as indicated on the key map and submit it to the Corporation for consideration. This allows full knowledge and information to be assembled by the Consultant as to where lines are intended to be buried and also permits reconciliation of conflicts prior to construction. I might mention that the only power outages experienced in the cable system at Spring Hill Subdivision has been the severance of our cable by other utilities working in the area.

Service capacity will be determined and made in excess of consumer requirements to avoid costly and unsightly changes. We trust that this feature, when combined with the fact that each service will be an individual cable from the transformer will illustrate service flexibility within the individual home.

We would be pleased to answer further questions or provide information as to the provisions that Gulf Coast Electric Cooperative will make to assist Deltona Corporation in construction of this project.

Very truly yours,

GORDON ENGINEERING ASSOCIATES, INC.

A. W. Gordon

AWG:tb
cc: Mr. Arthur Day
Mr. Jim Maulden
Mr. C. E. Ray Roberts
Enclosures

GULF COAST ELECTRIC COOPERATIVE, INC.

WEWAHITCHKA, FLORIDA

4% Florida State Sales Tax Added to Each Bill

SCHEDULE AX

MASS HOUSING RESIDENTIAL SERVICE

APPLICABILITY

Applicable to mass housing residential consumers for all uses in the home, subject to the established rules of the Seller. Approval of the Seller must be obtained prior to the installation of any motor having a rated capacity of five horsepower or more. Mass housing is defined as subdivisions or developments where residential houses or apartments are constructed so as to provide a density of not less than four (4) to one acre of land and not less than one hundred (100) total of such units.

TYPE OF SERVICE

Single-phase, 60 cycles, at available secondary voltages.

RATE PER MONTH

1st	20	kwh	per	month	@	9.75¢	per	kwh
Next	30	kwh	per	month	@	4.5 ¢	per	kwh
Next	50	kwh	per	month	@	3 ¢	per	kwh
Next	100	kwh	per	month	@	2 ¢	per	kwh
Next	600	kwh	per	month	@	1.4 ¢	per	kwh
All over	800	kwh	per	month	@	1.25¢	per	kwh

MINIMUM MONTHLY CHARGE

The minimum monthly charge under the above rate shall be \$1.95 where 5 kva or less transformer capacity is required. For consumers requiring more than 5 kva transformer capacity the minimum monthly charge shall be increased at the rate of 75¢ for each additional kva or fraction thereof required. Payment of the minimum charge shall entitle the consumer in all cases to the use of the number of kilowatt-hours corresponding to the minimum charge in accordance with the foregoing rate.

TERMS OF PAYMENT

The above rates are net. In the event the current monthly bill is not paid within fifteen (15) days from the date of the bill, a \$2.00 accounting fee is added.

Certified true copy.

Benny C. Lister
BENNY C. LISTER, SECRETARY

FPSC Docket No. 930885
Exhibit (AWG)

71
17

GULF COAST ELECTRIC COOPERATIVE, INC.

Mr. C. E. Hinkley
Page Three
December 8, 1970

Out rate Schedule "AX" would be \$17.70

For practical purposes, your residents would have rates approximately 8% lower than those in Panama City.

As we have previously pointed out, our commercial Schedule "B" is considerably lower than other local schedules and at 1000 kwh usage, our rate is approximately half or 50% of other schedules.

We would also call your attention to the other attractive incentives we have offered to your company prior to this time.

We appreciate the interest you have shown in Gulf Coast Electric and if we can be of further assistance to you, please do not hesitate to call.

Very truly yours,

GULF COAST ELECTRIC COOPERATIVE, INC.


Charles E. (Ray) Roberts
Manager

CER/11

Enclosures

GULF COAST ELECTRIC COOPERATIVE, INC.

Mr. C. E. Hinkley
Page Two
December 8, 1970

at 20 kwh to 40¢ at 800 kwh and 70¢ at 2500 kwh.

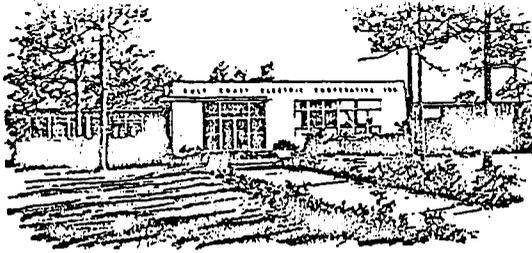
We believe the average bill would vary from 1000 to 2000 kwh per month and if so, our Schedule "AX" would be 1.95% higher than other schedules after other schedules have been corrected for cost of power adjustments on record with the Commission.

The "other schedule" on file with the State Commission provides a "floor" or minimum average cost of power of 1.6¢ from May through October of each year. These are high usage months and anyone using over approximately 1340 kwh does not purchase any 1.4¢ or 1.2¢ kilowatt hours as implied by the rate but only 1.6¢ minimum average cost kilowatt hours for the six month high usage period. Our company does not adjust or raise rates during high usage periods.

We have indicated the effect of this by plotting a red pencil line from 1340 kwh at 1.6¢ along the 1.6¢ cost and find that during the six month period our rates would be 5¢ lower of 1500 kwh, \$1.80 lower at 2000 kwh and \$3.55 lower at 2500 kwh. This should be food for thought.

We understand that the City of Panama City imposes a 10% City Utility Tax and the consumer actually pays 110% of the "other schedule" indicated. This is no fault of the power company but for all practical purposes, it increases the cost of power to the consumer. For example, a Panama City resident would pay approximately the following for 1000 kwh.

1000 kwh base rate	17.10
Cost of power adjustment	<u>.26</u>
Subtotal	17.36
10% City Utility Tax	<u>1.74</u>
Total Bill	\$19.10



GULF COAST ELECTRIC COOPERATIVE, INC.

Wewahitchka, Florida 32465

December 8, 1970

Mr. C. E. Hinkley, Assistant Secretary
Mackle Brothers Division
The Deltona Corporation
Construction and Development Department
3250 S. W. 3rd Avenue
Miami, Florida

Subject: Applicable Residential Power Rates
Washington County, Florida

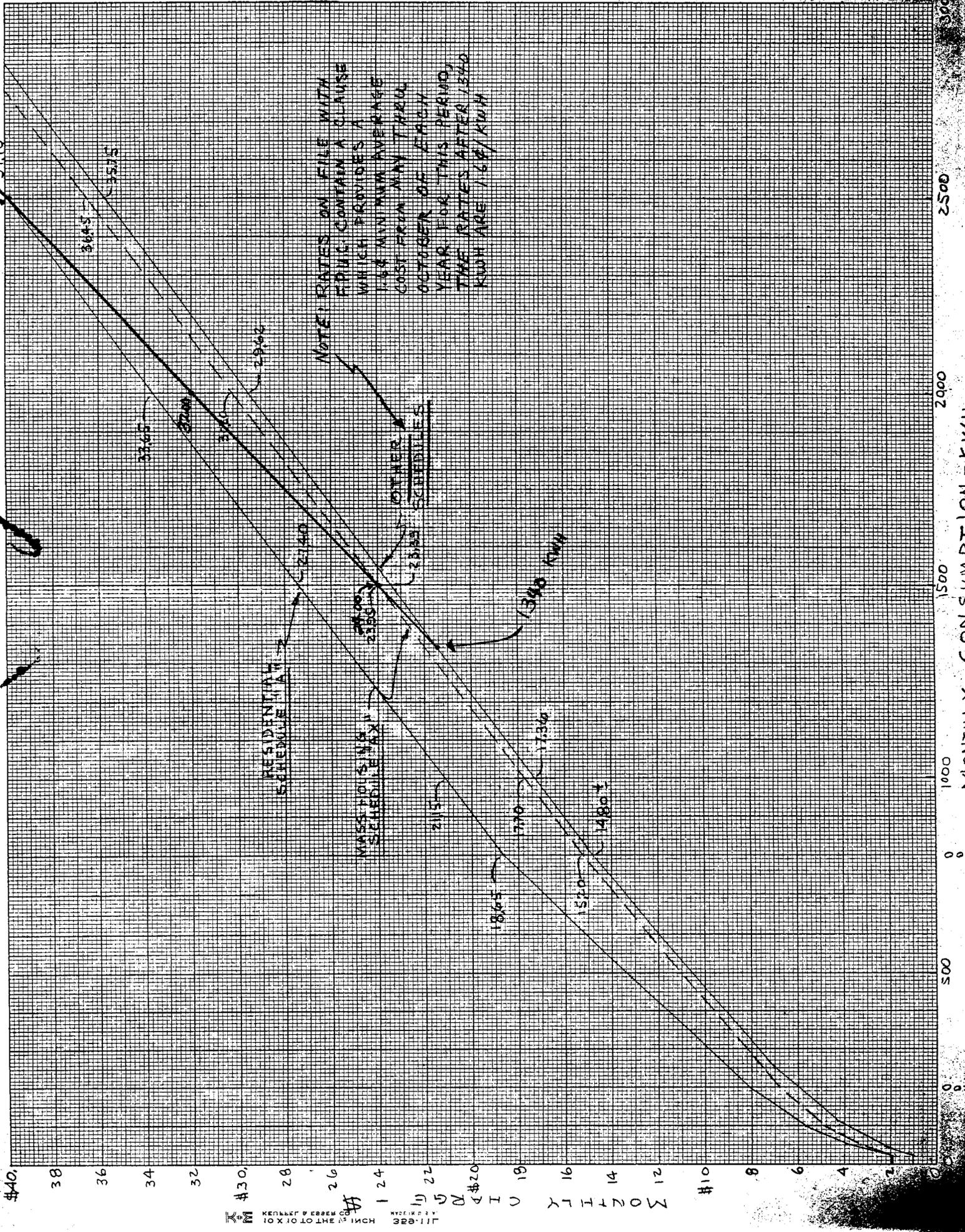
Dear Mr. Hinkley:

After review of our residential power rates as would apply to the Deltona development in Washington County, we came to the conclusion that our existing residential rate could not adequately be applied to a mass housing development. Never in our past history have we had the opportunity to serve a housing unit where a house was on every adjacent lot, where building proceeded in a contiguous manner or where the investment per consumer was so low.

Our consultants have recommended a new rate applicable to mass housing developments. This rate is intended to apply to Deltona. It has been approved by our Board of Trustees and is now in effect and available should any mass housing development so qualify. A certified copy of this rate, Schedule "AX" is enclosed.

To illustrate graphically what we are doing, a coordinate sheet is enclosed. Our existing residential rate, Schedule "A", is plotted for illustration. The mass housing rate, Schedule "AX", is also shown as a dashed broken line. The cost to the consumer is indicated at points of 800, 1000, 1500, 2000 and 2500 kwh/month. Please note that the reduction in monthly charges is roughly \$3.45 per month throughout this range of consumption.

For comparative purposes, we have indicated on the same sheet other rates available in the area from public utilities. These are identified "other schedules". It would appear that our new Schedule "AX" would vary in excess of other schedules from 95¢



NOTE: RATES ON FILE WITH PUBLIC CONTAIN A CLAUSE WHICH PROVIDES A 10% MINIMUM AVERAGE COST FROM MAY THRU OCTOBER OF EACH YEAR FOR THIS PERIOD. THE RATES AFTER 1962 NOW ARE 10%/YR.

RESIDENTIAL SCHEDULE

MASS SCHEDULE

OTHER SCHEDULES

MONTHLY CONDITION - 1962

LINE-GRAPH REFLECTS PERCENTAGE INCREASE TO DATE

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK

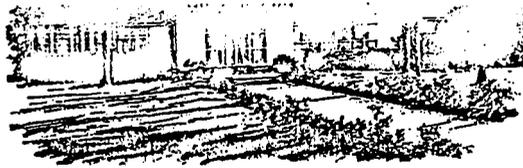
Public Service Commission

Docket No. : 930885-EU

Docket Title: Petition to resolve territorial dispute with Gulf Coast Electric Cooperative, Inc. by Gulf Power Company

DN 13625-96: EXHIBIT (AWG-18): MAP OF PORTION OF WASHINGTON COUNTY, FLORIDA SHOWING STATE ROAD S-279 UNDER CONSTRUCTION AND S-77 ON WEST SIDE OF SUNNY HILLS DEVELOPMENT & ELECTRIC DISTRIBUTION LINES

[CLK NOTE: MAP PORTION OF TESTIMONY EXHIBIT CAN BE FOUND IN MAPS MICROFILM.]



GULF COAST ELECTRIC COOPERATIVE, INC.

Wewahitchka, Florida 32465

December 2, 1971

MEMO TO: Board of Trustees
FROM: Manager
SUBJECT: Gulf Power Company's New Tariff

Attached you will find a copy of Gulf Power Company's tariff that will be filed with the Federal Power Commission on December 1st.

Calculations that I have made and broken down by the months as to the effects the new tariff would have had on Gulf Coast Electric for the previous twelve months is marked Exhibit "A". Had this new tariff been in effect the previous twelve months, Gulf Coast Electric would have paid Gulf Power an additional \$214,508, an increase of 81.23% for wholesale power.

Gulf Coast Electric Cooperative, Inc.'s contract with Gulf Power for wholesale power has been in effect since February 1, 1953. We have purchased power in the past from Gulf Power for 6.5 mills per KWH. Under the new tariff for the previous twelve months the cost would have been 11.68 mills per KWH without taking into consideration the fuel clause adjustment, tax adjustment or 75% ratchet on the contract capacity.

Exhibit "B" will point out the difference in the new tariff and the old tariff. The smaller figures above will reflect the cost in the old contract. In the first block they doubled the KWH per KVA of billing capacity and increased the KWH cost from 1.5 to 1.6 and also increased the number of KWH from fifty thousand to one million, two hundred thousand kilowatt hours. This increase is consistent throughout the new contract. The discount for furnishing, operating and maintaining the complete step-down transformer substation did not decrease or increase in the new contract. The monthly minimum per KVA of billing capacity requirements increased from \$1.50 to \$2.10 per KVA of billing capacity requirement and the 50 KVA minimum was increased to 1,000 KVA minimum billing capacity.

FPSC Docket No. 930885
Exhibit (AWG - 17)

GULF COAST ELECTRIC COOPERATIVE, INC.

All four co-ops in Northwest Florida who purchase power from Gulf Power have received notice of this filing with the Federal Power Commission. Gulf Coast Electric Cooperative's contract is the first of the four co-ops to expire. Gulf Coast Electric's contract expires January 31, 1972. Escambia River Electric Cooperative's contract expires April 13, 1972. Choctawhatchee Electric's contracts (3) expire July 2, 1972. West Florida Electric Cooperative has five contracts that will expire in October 1972 and one in July 1975.

Gulf Coast Electric will be the first of the four cooperatives to be affected by the new tariff. I have discussed this increase with Mr. Charles Lowman, Manager of the Alabama Electric Cooperative G & T, and with the approximate 40% increase that Alabama Power has applied for and the approximate 80% increase that the two Florida cooperatives are faced with, he is not in a position at this time to quote what the new pooling rate will be for A. E. C. members.

I talked with Mr. Richard F. Richter, Southeast Area Director, yesterday about the increase we are faced with and the availability of R. E. A. to assist us with a retail rate study. Mr. Richter was willing to have R. E. A. assist us with a rate study but with the limited staff and backlog of requests for assistance, it would be impossible to complete a rate study by February 1, 1972.

It is my recommendation to the Board of Trustees of Gulf Coast Electric that we employ an outside consultant to complete a retail rate study as soon as possible and this new rate be submitted to R. E. A. for approval. After this rate has received R. E. A. approval, the Board of Trustees should adopt these rates the same date that Gulf Power's new tariff becomes effective.

After reviewing the increase in cost, I believe that you will be in agreement that it is imperative that we be prepared for this increase. Our cooperative is not in a financial condition to stand such deficits as we would incur under our present rate in case of an increase in cost of wholesale power.

CER/11

Attachments

GULF POWER COMPANY

WHOLESALE SERVICE

SCHEDULE RE

NOT LESS THAN 1,000 KVA

MONTHLY NET RATE:

100

For the first 200 KWH per KVA of billing capacity requirements:

1.5 50,000

1.60¢ per KWH for the first 1,200,000 KWH; plus

1.3 50,000

1.50¢ per KWH for all over 1,200,000 KWH

100

For the next 300 KWH per KVA of billing capacity requirements:

.6 100,000

1.02¢ per KWH for the first 200,000 KWH; plus

.5 100,000

.85¢ per KWH for all over 200,000 KWH

200

For all over 500 KWH per KVA of billing capacity requirements:

.4

.85¢ per KWH for all such excess

Nov 1970

2,952,000 KWH

7,840 KVA

	1,200,000 @ 1.6	-	\$19,200.00	
1,568,000	368,000 @ 1.5	-	5,520.00	
	200,000 @ 1.02	-	2,040.00	
	<u>1,184,000 @ 0.85</u>	-	<u>10,064.00</u>	
	2,952,000		\$36,824.00	
	Discount	-	<u>844.00</u>	
	New Rate	-	\$35,980.00	
	Old Rate	-	<u>\$19,188.00</u>	
	Difference	-	\$16,792.00	or 87.5%

* * * * *

Dec 70

~~JANUARY 1971~~

3,136,000 KWH

6,880 KVA

	1,200,000 @ 1.6	-	\$19,200.00	
1,376,000	176,000 @ 1.5	-	2,640.00	
	200,000 @ 2.01	-	2,040.00	
	<u>1,560,000 @ 0.85</u>	-	<u>13,260.00</u>	
	3,136,000		\$37,140.00	
	Discount	-	<u>748.00</u>	
	New Rate	-	\$36,392.00	
MINIMUM	Old Rate	-	<u>\$20,384.00</u>	
	Difference	-	\$16,008.00	or 78.5%

2,976,000 KWH

7,760 KVA

	1,200,000 @ 1.6	-	\$19,200.00
1,552,000	352,000 @ 1.5	-	5,280.00
	200,000 @ 2.01	-	2,040.00
	<u>1,224,000 @ 0.85</u>	-	<u>10,404.00</u>

2,976,000			\$36,924.00
	Discount	-	<u>836.00</u>
	New Rate	-	\$36,088.00
	Old Rate	-	<u>\$19,344.00</u>

MINIMUM

Difference - \$16,744.00 or 86.5%

* * * * *

MARCH 1971

Job

2,960,000 KWH

7,200 KVA

	1,200,000 @ 1.6	-	\$19,200.00
1,440,000	240,000 @ 1.5	-	3,600.00
	200,000 @ 1.02	-	2,040.00
	<u>1,320,000 @ 0.85</u>	-	<u>11,220.00</u>

2,960,000			\$36,060.00
	Discount	-	<u>780.00</u>
	New Rate	-	\$35,280.00
	Old Rate	-	<u>\$19,240.00</u>

Difference - \$16,040.00 or 83.4%

19,032.00

March
 2,960,000 KWH
 7,200 KVA

	1,200,000 @ 1.6	-	\$19,200.00	
1,440,000	240,000 @ 1.5	-	3,600.00	
	200,000 @ 1.02	-	2,040.00	
	<u>1,320,000 @ 0.85</u>	-	<u>11,220.00</u>	
	2,960,000		\$36,060.00	
	Discount	-	<u>780.00</u>	
	New Rate	-	\$35,280.00	
MINIMUM	Old Rate	-	<u>\$19,240.00</u>	
	Difference	-	\$16,040.00	or 83.4%

* * * * *
April
 MAY 1971

2,672,000 KWH
 6,720 KVA

	1,200,000 @ 1.6	-	\$19,200.00	
1,344,000	144,000 @ 1.5	-	2,160.00	
	200,000 @ 1.02	-	2,040.00	
	<u>1,128,000 @ 0.85</u>	-	<u>9,588.00</u>	
	2,672,000		\$32,988.00	
	Discount	-	<u>732.00</u>	
	New Rate	-	\$32,256.00	
MINIMUM	Old Rate	-	<u>\$16,876.00</u>	<i>17,368.00</i>
	Difference	-	\$15,380.00	or 91.1%

may
 2,800,000 KWH
 7,600 KVA

	1,200,000 @ 1.6	-	\$19,200.00	
1,520,000	320,000 @ 1.5	-	4,800.00	
	200,000 @ 1.02	-	2,040.00	
	<u>1,080,000 @ 0.85</u>	-	<u>9,180.00</u>	
	2,280,000		\$35,200.00	
	Discount	-	<u>820.00</u>	
	New Rate	-	\$34,400.00	
MINIMUM	Old Rate	-	<u>\$18,200.00</u>	
	Difference	-	\$16,200.00	or 89%

* * * * *

~~JULY~~ 1971

June

4,160,000 KWH
 9,440 KVA

	1,200,000 @ 1.6	-	\$19,200.00	
1,888,000	688,000 @ 1.5	-	10,320.00	
	200,000 @ 1.02	-	2,040.00	
	<u>2,072,000 @ 0.85</u>	-	<u>17,612.00</u>	
	4,160,000		\$49,172.00	
	Discount	-	<u>1,004.00</u>	
	New Rate	-	\$48,168.00	
MINIMUM	Old Rate	-	<u>\$27,040.00</u>	
	Difference	-	\$21,128.00	or 78.1%

July

4,056,000 KWH

9,520 KVA

	1,200,000 @ 1.6	-	\$19,200.00	
1,904,000	704,000 @ 1.5	-	10,560.00	
	200,000 @ 1.02	-	2,040.00	
	<u>1,952,000 @ 0.85</u>	-	<u>16,592.00</u>	
	4,056,000		\$48,392.00	
	Discount	-	<u>1,012.00</u>	
	New Rate	-	\$47,380.00	
MINIMUM	Old Rate	-	<u>\$26,364.00</u>	
	Difference	-	\$21,016.00	or 79.7%

* * * * *

Aug ~~SEPTEMBER~~ 1971

3,904,000 KWH

9,600 KVA

	1,200,000 @ 1.6	-	\$19,200.00	
1,920,000	720,000 @ 1.5	-	10,800.00	
	200,000 @ 1.02	-	2,040.00	
	<u>1,784,000 @ 0.85</u>	-	<u>15,164.00</u>	
	3,904,000		\$47,204.00	
	Discount	-	<u>1,020.00</u>	
	New Rate	-	\$46,184.00	
MINIMUM	Old Rate	-	<u>\$25,376.00</u>	
	Difference	-	\$20,808.00	or 82%

APR - SEPT 1971
 3,960,000 KWH ✓
 9,280 KVA ✓

1,200,000 @ 1.6	-	\$19,200.00
656,000 @ 1.5	-	9,840.00
200,000 @ 1.02	-	2,040.00
<u>1,904,000 @ 0.85</u>	-	<u>16,184.00</u>

3,960,000 \$47,264.00

Discount - 988.00

New Rate - \$46,276.00

Old Rate - \$25,740.00

MINIMUM

Difference - \$20,536.00 or 79.8%

* * * * *

NOVEMBER 1971

cut

3,048,000 KWH

9,200 KVA

1,200,000 @ 1.6	-	\$19,200.00
640,000 @ 1.5	-	9,600.00
200,000 @ 1.02	-	2,040.00
<u>1,008,000 @ 0.85</u>	-	<u>8,568.00</u>

3,048,000 \$39,408.00

Discount - 980.00

New Rate - \$38,428.00

Old Rate - \$20,612.00

Difference - \$17,816.00 or 86.3%

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

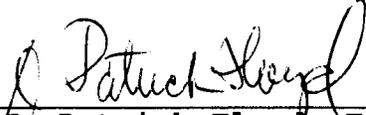
In Re: Petition to Resolve)
Territorial Dispute with Gulf Coast)
Electric Cooperative, Inc. by) Docket No. 930885-EU
Gulf Power Company)

REBUTTAL TESTIMONY AND EXHIBITS
OF ARCHIE W. GORDON
ON BEHALF OF
GULF COAST ELECTRIC COOPERATIVE, INC.

Gulf Coast Electric Cooperative, Inc. (Gulf Coast) hereby files the attached original Rebuttal Testimony and Exhibits of Archie W. Gordon together with 15 copies thereof this 20th day of December, 1996.

Respectfully Submitted,

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I HEREBY CERTIFY that a true copy of the following together with one copy of the Rebuttal Testimony and Exhibits of Archie W. Gordon have been furnished this 20th day of December, 1996 by U.S. Mail or hand delivery to the following:

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J. PATRICK FLOYD, ESQUIRE