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September 13, 2007

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COMMISSION
CLERK

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850

Dear Ms. Cole:

RE: Docket No. 070299-EI

Enclosed are an original and fifteen copies of the Prehearing Statement of Gulf Power Company to be filed in the above docket.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Petition in Microsoft Word for Windows format as prepared on a Windows NT based computer.

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- SEC _____
- OTH _____

Sincerely,

Susan D. Ritenour
buh

Enclosures

cc: Beggs & Lane
Jeffrey A. Stone, Esq.

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DOCUMENT NUMBER-DATE

08358 SEP 14 07

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for Approval of Gulf)
Power Company's Storm Hardening Plan) Docket No. 070299-EI
Pursuant to Rule 25-6.0342, F.A.C.) Date Filed: September 14, 2007
)
)

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:

JEFFREY A. STONE, Esquire, RUSSELL A. BADDERS, Esquire, and STEVEN R. GRIFFIN, Esquire, of Beggs & Lane, P.O. Box 12950, Pensacola, FL 32591-2950

ERIC B. LANGLEY, Esquire, of Balch & Bingham LLP, 1710 Sixth Avenue North, Birmingham, Alabama, 35203

On behalf of Gulf Power Company.

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:

	<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
(<u>Direct</u>)			
1.	E. J. Battaglia (Gulf)	Storm Hardening Plan, components and cost benefits	27, 28, 29, 30, 31, 32, 33, 34, 36, 39
2.	A. G. McDaniel (Gulf)	Storm Hardening Plan, impact to third-party attachers and pole attachment standards and procedures	35, 37, 38, 39

DOCUMENT NUMBER-DATE

08358 SEP 14 5

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C. EXHIBITS:

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
(EJB-1)	Battaglia	Consisting of ten schedules showing: Map of Gulf Power's Service Area, Map of Florida Population Densities, Summary of Costs, PoleForman Analysis, Northwest Florida Hurricanes, and Extreme Wind Loading Projects
(EJB-2)	Battaglia	Consisting of nine schedules showing: Chart of Utilities; Storm Surge Impact; National Weather Service Storm Report for Hurricanes Fran, Bertha, Bonnie, Dennis, and Floyd; North Carolina Hurricane Tracks; and Windfield Data.
(AGM-1)	McDaniel	Consisting of one schedule: Gulf and FCTA Input Timeline.

D. STATEMENT OF BASIC POSITION:

Gulf Power Company's Statement of Basic Position:

It is the basic position of Gulf Power Company that the Company's Storm Hardening Plan, as amended, which includes the 10-part storm preparedness initiatives that were approved by the Commission in Order Nos. PSC-06-0781-PAA-EI and PSC-06-0947-PAA-EI, can reasonably be expected to enhance the reliability and reduce restoration cost and outage times in a cost-effective manner. By adopting Grade B construction standards on all new and major distribution rebuilds, along with utilizing an Extreme Wind Load pilot project approach on critical infrastructure facilities and performing underground storm hardening projects where appropriate, Gulf's Storm Hardening Plan is prudent, practical, and cost-effective.

E. STATEMENT OF ISSUES AND POSITIONS:

ISSUE 27: Does the Company's Plan address the extent to which, at a minimum, the Plan complies with the National Electric Safety Code (ANSI C-2) [NESC] that is applicable pursuant to subsection 25-6.0345(2), F.A.C.? [Rule 25-6.0342(3)(a)]

GULF: Yes. Gulf's Storm Hardening Plan complies with the National Electric Safety Code. (Battaglia)

ISSUE 28: Does the Company's Plan address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for new distribution facility construction? [Rule 25-6.0342(3)(b)l]

GULF: Yes. Gulf Power has historically designed its distribution system based on Grade C construction standards, which meets NESC standards. Gulf's Storm Hardening Plan as amended proposes to adopt Grade B construction standards for all new distribution facilities. Distribution facilities built to the Grade B construction standard would exceed NESC requirements. (Battaglia)

ISSUE 29: Does the Company's Plan address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for major planned work on the distribution system, including expansion, rebuild, or relocation of existing facilities, assigned on or after the effective date of this rule distribution facility construction? [Rule 25-6.0342(3)(b)2]

GULF: Yes. Gulf Power has historically designed its distribution system based on Grade C construction standards, which meets NESC standards. Gulf's Storm Hardening Plan as amended proposes to adopt Grade B construction standards for all major expansions, rebuilds or relocations of existing distribution facilities. Distribution facilities built to the Grade B construction standard would exceed NESC requirements. (Battaglia)

ISSUE 30: Does the Company's Plan address the extent to which the extreme wind loading standards specified by Figure 250-2(d) of the 2007 edition of the NESC are adopted for distribution facilities serving critical infrastructure facilities and along major thoroughfares taking into account political and geographical boundaries and other applicable operational considerations? [Rule 25-6.0342(3)(b)3]

GULF: Yes. Gulf Power will adopt Grade B construction standards to all new and major rebuilds of existing distribution facilities that serve critical infrastructure facilities and cross major thoroughfares. In addition, as a pilot project program, Gulf's Storm Hardening Plan proposes to adopt Extreme Wind Loading (EWL) standards for main feeder distribution systems that serve critical facilities such as hospitals, sewer treatment plants, fuel depots, and feeders that cross major thoroughfares. As a part of these pilot projects, Gulf will also install wind monitoring devices at substations nearest to the planned projects. This granular wind data, along with forensic data gathered after a major storm event, will assist in the determination of the effectiveness of the EWL pilot projects. Current proposed EWL pilot projects are identified in Section 9.1 of Gulf's Storm Hardening Plan. (Battaglia)

ISSUE 31: Does the Company's Plan address the extent to which its distribution facilities are designed to mitigate damage to underground and supporting overhead transmission and distribution facilities due to flooding and storm surges? [Rule 25-6.0342(3)(c)]

GULF: Yes. Gulf has developed overhead and underground distribution storm hardening specifications to mitigate damage due to flooding and storm surges.

These specifications are shown in Appendices 5 and 6 of Gulf's Storm Hardening Plan. In addition, Gulf is currently working on several distribution pilot projects in potential storm surge areas to test the effectiveness of mitigation techniques. Current pilot projects include the installation of below-grade gear, along with heavy lids and anchoring systems on flush-mounted switch enclosures. Gulf will continue to utilize stainless steel equipment in all coastal areas as it's done for many years. (Battaglia)

ISSUE 32: Does the Company's Plan address the extent to which the placement of new and replacement distribution facilities facilitate safe and efficient access for installation and maintenance pursuant to Rule 25-6.0341, F.A.C? [Rule 25-6.0342(3)(d)]

GULF: Yes. Gulf Power has always recognized that accessibility to distribution facilities is essential to safe and efficient maintenance and storm restoration. Gulf continues to promote placement of facilities adjacent to public roads; to utilize easements, public streets, roads and highways; obtain easements for underground facilities; and to use right-of-ways for conversions of overhead to underground. (Battaglia)

ISSUE 33: Does the Company's Plan provide a detailed description of its deployment strategy including a description of the facilities affected; including technical design specifications, construction standards, and construction methodologies employed? [Rule 25-6.0342(4)(a)]

GULF: Yes. Section 9.1 of Gulf's Storm Hardening Plan describes the 3-year deployment strategy for the proposed EWL critical infrastructure pilot projects. Appendices 5 and 6 of the Storm Hardening Plan contain the design and construction specifications for the overhead and underground distribution facilities. (Battaglia)

ISSUE 34: Does the Company's Plan provide a detailed description of the communities and areas within the utility's service area where the electric infrastructure improvements, including facilities identified by the utility as critical infrastructure and along major thoroughfares pursuant to subparagraph (3)(b)3 are to be made? [Rule 25-6.0342(4)(b)]

GULF: Yes. Section 9.1 of Gulf's Storm Hardening Plan identifies the proposed critical infrastructure project locations. In addition, Appendix 1 of the Plan is a map that shows the location of the proposed critical infrastructure projects in relation to the communities in N.W. Florida. (Battaglia)

ISSUE 35: Does the Company's Plan provide a detailed description of the extent to which the electric infrastructure improvements involve joint use facilities on which third-party attachments exist? [Rule 25-6.0342(4)(c)]

GULF: Yes. Gulf Power has worked with all third-party attachers to provide sufficient details of proposed electric infrastructure improvements to determine potential impacts to joint-use facilities. Detailed location maps of potentially-impacted joint use facilities have been provided to all interested third-party attachers. The locations identified on the maps indicate a third-party attacher has one or more attachments on one or more poles shown on each map they received. Gulf continues to provide additional information as it becomes available. (McDaniel)

ISSUE 36: Does the Company's Plan provide an estimate of the costs and benefits to the utility of making the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages? [Rule 25-6.0342(4)(d)]

GULF: Yes. Appendix 7 of Gulf's Storm Hardening Plan as amended summarizes the estimated costs for the critical infrastructure hardening projects during the 2007 to 2009 time period. In addition, Gulf's Plan includes the estimated costs associated with the adoption of Grade B construction standards on all new and major overhead distribution rebuilds, along with proposed underground storm hardening pilot projects along coastal areas. Total storm hardening costs for the 2007 to 2009 time period are estimated at approximately \$20 million per year. Gulf continues to evaluate the possible benefits associated with its storm hardening activities. (Battaglia)

ISSUE 37: Does the Company's Plan provide an estimate of the costs and benefits, obtained pursuant to subsection (6) below, to third-party attachers affected by the electric infrastructure improvements, including the effect on reducing storm restoration costs and customer outages realized by the third-party attachers? [Rule 25-6.0342(4)(e)]

GULF: Yes. Gulf's Storm Hardening Plan includes data to allow third-party attachers to estimate their costs resulting from the implementation of the proposed critical infrastructure pilot projects. Gulf has also furnished additional, detailed location maps of the infrastructure improvement projects since filing the Storm Hardening Plan to allow third-party attachers to better evaluate their cost and benefits. (McDaniel)

ISSUE 38: Does the Company's Plan include written Attachment Standards and Procedures addressing safety, reliability, pole loading capacity, and engineering standards and procedures for attachments by others to the utility's electric transmission and distribution poles that meet or exceed the edition of the National Electrical Safety Code (ANSI C-2) that is applicable pursuant to Rule 25-6.034, F.A.C.? [Rule 25-6.0342(5)]

GULF: Yes. Gulf's existing Attachment Standards and Procedures meet the requirements above or exceed the 2007 NESC. The significant update to Gulf's Storm Hardening Plan in the area of third party attachers is the addition

of the Pole Strength and Loading engineering assessments and the overlashing notification requirement. This overlashing notification by third-party attachers will facilitate Gulf's ability to comply with the FPSC-approved Pole Strength and Loading assessment. (McDaniel)

ISSUE 39: Based on the resolution of the preceding issues, should the Commission find that the Company's Plan meets the desired objectives of enhancing reliability and reducing restoration costs and outage times in a prudent, practical, and cost-effective manner to the affected parties? [Rule 25-6.0342(1) and (2)]

GULF: Yes. Gulf's Storm Hardening Plan, which includes the 10-part storm preparedness initiatives that were approved by the Commission in Order Nos. PSC-06-0781-PAA-EI and PSC-06-0947-PAA-EI, can reasonably be expected to enhance the reliability and reduce restoration cost and outage times in a cost-effective manner. By adopting Grade B construction standards on all new and major distribution rebuilds, along with utilizing an EWL pilot project approach on critical infrastructure facilities and performing underground storm hardening projects where appropriate, Gulf's Storm Hardening Plan is prudent, practical, and cost-effective. (Battaglia and McDaniel)

F. STIPULATED ISSUES

GULF: Yet to be determined. Gulf is willing to stipulate that the testimony of all witnesses whom no one wishes to cross examine be inserted into the record as though read, cross examination be waived, and the witness's attendance at the hearing be excused.

G. PENDING MOTIONS:

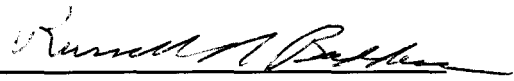
Expedited Request for Naming of Qualified Representative, dated September 7, 2007, filed in Docket No. 070008-OT, requesting that Eric B. Langley, an attorney with the law firm Balch & Bingham LLP, be named a qualified representative of Gulf Power in all docketed and non-docketed matters currently before the Commission and in any new matters in calendar year 2007 or such additional period as the Commission may authorize.

H. OTHER MATTERS:

GULF: To the best knowledge of counsel, Gulf has complied with all requirements set forth in the orders on procedure and/or the Commission rules governing this prehearing statement. If other issues are raised for determination at the hearings set for October 2-4, 2007, Gulf respectfully requests an opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this 14th day of September, 2007.

Respectfully submitted,



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Review of 2007 Electric Infrastructure)
Storm Hardening Plan filed pursuant to)
Rule 25-6.0342, Florida Administrative)
Code, submitted by Gulf Power Company)

Docket No.: 070299-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by regular U. S. mail, all this 13TH day of September, 2007, on the following:

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