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November 22, 1994

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Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 E. Gaines Street  
Tallahassee, FL 32301  
**HAND DELIVERY**

RE: DOCKET NUMBER: [REDACTED]

Dear Ms. Bayo:

Enclosed herewith please find an original and fifteen copies of:

- 1) Post-Hearing Statement of Issues and Positions of Gulf Coast Electric Cooperative, Inc. and
- 2) Post-Hearing Brief of Gulf Coast Electric Cooperative, Inc.

We would appreciate your filing these and distributing the copies as appropriate.

Very truly yours,

John H. Haswell

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FILE COPY

In Re: Petition to Resolve )  
Territorial Dispute With Gulf )  
Coast Electric Cooperative )  
Inc. by Gulf Power Company )

DOCKET NO.: [REDACTED]  
Filed: November 22, 1994

POST-HEARING STATEMENT OF ISSUES AND POSITIONS  
OF GULF COAST ELECTRIC COOPERATIVE, INC.

Gulf Coast Electric Cooperative, Inc., in compliance with Order Number PSC-93-1830-PCO-EU issued on December 27, 1993, regarding post-hearing procedures, and pursuant to Rule 25-22.056(3), Florida Administrative Code, submits herewith its post-hearing statement of issues and positions limiting its position to 50 words or less:

Issue No. 1: What is the geographical description of the disputed area?

A rural area in South Washington County at the intersection of 279 and 77. South Washington County is a rural area except for 330 customers of Gulf Power in Sunny Hills. The disputed area in Bay County is along 231 northeast of Panama City and is essentially rural with a commercial zone along 231.

\*\*\*\*\*

Issue No. 2: What is the expected customer load, energy, and population growth in the disputed area?

On the site of the correctional facility itself, there will be one customer, the Department of Corrections, and the

expected load is 372 KW beginning in 1995. Estimated annual MWH is 2,091.05 in 1995. Gulf Coast has more than adequate capacity to serve the anticipated growth.

\*\*\*\*\*

Issue No. 3: Which utility has historically served the disputed area?

Gulf Coast has exclusively served the site of the correctional facility, since at least 1950, with facilities on the site up to and including the date Gulf Power initiated this dispute. Both utilities have historically served other areas in Washington and Bay Counties.

\*\*\*\*\*

Issue No. 4: What is the location, purpose, type and capacity of each utility's facilities existing prior to the construction of facilities built specifically to serve the correctional facility?

Gulf Coast has three-phase 25 kV lines bordering the site on Highway 77, single-phase lines on the site from its three-phase facilities on 77 west and north up County Road 279, served by the Crystal Lake substation rated at a maximum capacity of 10,500 kVA tied to the Cooperative's substation (maximum rating of 21,800 kVA). Crystal Lake has excess capacity of 2,500 kVA. The Cooperative has more than adequate capacity to handle the correctional facility load for the foreseeable future.

\*\*\*\*\*

Issue No. 5: What additional facilities would each party have to construct in order to provide service to the correctional facility?

Gulf Coast relocated its Red Sapp Road facilities from the property itself to 279 and upgraded those facilities from single-phase to three-phase and has provided temporary construction service within the site itself as more further identified and discussed in the exhibits and testimony.

\*\*\*\*\*

Issue No. 6: Is each utility capable of providing adequate and reliable electric service to the disputed area?

Yes, Gulf Coast is capable of providing at least, if not more adequate and reliable service to the site than Gulf Power. Because of back-up generation on the site, and the long distances of Gulf Power's distribution feeders, Gulf Power's service is not more reliable than the Cooperative's.

\*\*\*\*\*

Issue No. 7: What would be the cost to each utility to provide electric service to the correctional facility?

Gulf Coast's total construction costs, including its last estimate, is \$124,007.00. Gulf Power's estimated cost to serve, without incurring a relocation cost to Gulf Coast, is \$129,477.00, and with a relocation cost is \$166,473.74.

\*\*\*\*\*

Issue No. 8: What would be the effect on each utility's rate payers if it were not permitted to serve the existing

facility?

There will be no effect on Gulf Power. Gulf Coast, however, will suffer a negative effect because of the lost opportunity for load balancing, diversity and improved load factor that will result if it does not serve this particular facility.

\*\*\*\*\*

Issue No. 9: Which party is capable of providing electric service to the correctional facility site at the lowest rate to the Department of Corrections?

Rates should not be an issue in any proceeding before the Commission unless a finding is made that a utility's rate is unjust and unreasonable. Considering Gulf Coast's capital credit refund allocation, Gulf Coast's rates are virtually identical to Gulf Power's and adjusting those rates for the time value of money, Gulf Coast's rates are not significantly higher.

\*\*\*\*\*

Issue No. 10: What is the customer preference for electric service to the correctional facility?

The Department of Corrections and the Washington County Commission both selected and approved Gulf Coast Electric Cooperative, Inc. to serve the site due to its historical service, active interest in economic development and assistance to Washington County, and to avoid a relocation cost for the Cooperative's Red Sapp Road line.

\*\*\*\*\*

Issue No. 11: Does unnecessary and uneconomic duplication of electric facilities exist in the disputed

area?

Yes and no. The construction by Gulf Power of its facilities on 279 in 1971 constitutes a continuing uneconomic and unnecessary duplication of Gulf Coast's facilities. It is both necessary and economic for Gulf Coast to relocate its Red Sapp Road line to 279 and to provide service to the correctional facility. The testimony and exhibits show other areas in Washington and Bay Counties where the parties' lines parallel and cross each other.

\*\*\*\*\*

Issue No. 12: Do the parties have a formal territorial agreement that covers the disputed area?

This is a stipulated issue, both parties agree that there are no territorial agreements between them, and Gulf Power has no territorial agreements with anybody.

\*\*\*\*\*

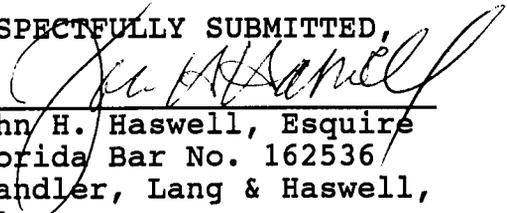
Issue No. 13: Which party should be permitted to serve the disputed area? What conditions, if any, should accompany the Commission's decision?

Gulf Coast. The Commission should require the parties to file a report within 180 days following this hearing identifying all parallel lines and crossings, including the facilities of all other utilities located in Bay and Washington Counties.

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 22nd day of November, 1994, by regular U.S.

mail to Ed Holland, Jr., Esquire, Jeffrey A. Stone, Esquire,  
and Teresa E. Liles, Esquire, 3 West Garden Street, Suite 700,  
P.O. Box 12950, Pensacola, Florida 32576-2950 and to Martha  
Carter Brown, Division of Legal Services, 101 E. Gaines Street  
#212, Tallahassee, Florida 32399-6562 by hand delivery this  
22nd day of November, 1994.

RESPECTFULLY SUBMITTED,

  
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