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September 22, 1997

Mrs. Blanca S. Bayo  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

RE: Docket No. 970512

Dear Mrs. Bayo:

Enclosed are an original and fifteen copies each of the Rebuttal Testimony of Messrs. Hood, Noble and Brill on behalf of Florida Power & Light Company. Please file these documents in the captioned docket.

ACK  A copy of this letter is enclosed. Please mark it to indicate that the originals were filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

AFA

APP

CAF

CMU

CTR

EAG

LEG

LIN  MKL/ths

OPC  Enclosures

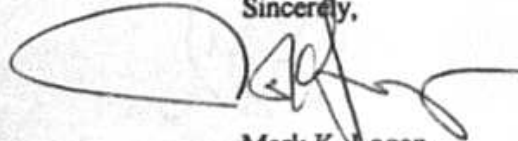
RCH

SEC  cc: All parties of record

WAS

OTH

Sincerely,



Mark K. Logan

Hood - 09647-97  
Noble - 09648-97  
Brill - 09649-97

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

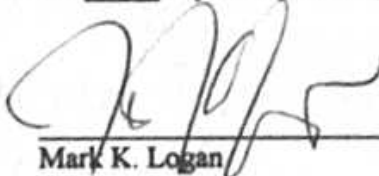
In Re: Petition of Florida Power & Light Company to Resolve a Territorial Dispute with Clay Electric Cooperative in Baker County )  
)  
)  
)  
)  
)

Docket No. 970512-EU

Filed: September 22, 1997

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the Rebuttal Testimony of Robert A. Hood; Rex E. Noble, Jr.; and Edward R. Brill have been furnished by U.S. Mail to John H. Haswell, Esquire, Chandler, Lang & Haswell, P.A., Post Office Box 23879, Gainesville, Florida 32602; Robert Elias, Legal Division, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399; William C. Phillips, General Manager, Clay County Electric Cooperative, Inc., P.O. Box 308, Keystone Heights, Florida 32656-0308; Mr. W.G. Walker, III, Florida Power & Light Company, Regulatory Affairs, P.O. Box 029100, Miami, Florida 33102-9100; and Patrick M. Bryan, Esquire, Law Department, Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408, on this 22<sup>nd</sup> day of September, 1997.



Mark K. Logan  
Bryant, Miller & Olive, P.A.  
201 South Monroe Street  
Tallahassee, Florida 32301

FLORIDA POWER & LIGHT COMPANY

ORIGINAL

1                   BEFORE THE PUBLIC SERVICE COMMISSION

2                   FLORIDA POWER & LIGHT COMPANY

3                   REBUTTAL TESTIMONY OF REX E NOBLE JR

4                   DOCKET NO. 970512-EU

5                   SEPTEMBER 22, 1997

6

7       Q)    Please state your name and business address.

8

9       A)    Rex E. Noble, Jr. and my business address is 1982 North  
10            State Road 7, Margate, Florida 33063.

11

12       Q)    What is your occupation?

13

14       A)    I am Manager of Technical Services, FPL Services. I am  
15            also a registered Professional Engineer in the states of  
16            Florida and Alabama.

17

18       Q)    Please describe your educational background.

19

20       A)    I have a Bachelor of Science Degree in Mechanical  
21            Engineering from Auburn University.

22

23       Q)    Please describe your professional background.

24

1 A) I am currently responsible for managing project  
2 development for FPL Services. I have directed the  
3 development of over \$15,000,000 of construction for FPL  
4 Services. I oversee the development of engineering,  
5 construction, measurement and verification and pricing  
6 for all performance contracts. I have developed projects  
7 for lighting retrofits, Heating, Ventilation and Air  
8 Conditioning retrofits, and installation of backup  
9 generators. I have over 15 years of experience in the  
10 Demand Side Management field and mechanical system  
11 design. I have designed mechanical systems for large  
12 hospitals and managed the installation of air  
13 conditioning equipment, lighting and generators. I am  
14 the Past President of the Southeast Florida Chapter of  
15 the Association of Energy Engineers. I am currently the  
16 Assistant Regional Chairman, Region XII and a member of  
17 the ASHRAE Continuing Education Committee for the  
18 American Society of Heating, Refrigeration and Air  
19 Conditioning Engineers. I am also a Certified Energy  
20 Manager and a Certified Indoor Air Quality Professional  
21 through the Association of Energy Engineers.

22

23 Q) What is the purpose of your testimony?

24

1 A) To identify the costs of providing a generator, including  
2 siting the generator, construction, operation and maintenance  
3 of the generator system.

4

5 Q) In Mr. Dyal's response to Interrogatory No. 3 of FPL's  
6 1st Set of Interrogatories, Mr. Dyal estimates the cost  
7 of Phase 7, providing two (2) 1360 kw load management  
8 generators and associated equipment as \$1,100,000.00.

9 What is FPL's position on this cost estimate?

10

11 A) It is difficult to evaluate Clay's cost estimate of \$1.1  
12 million as Clay has not provided the specific breakdown  
13 of the generator costs. In Clay's response to  
14 Interrogatory No. 9, they state the cost of each  
15 generator is \$450,000. This would leave \$200,000 for the  
16 associated equipment costs. Based on our discussions  
17 with the generator supplier, Ring Power, we feel there  
18 are more costs involved.

19

20 Q) What are the various costs involved with supplying two  
21 1360 kv generators?

22

23 A) The generator and associated costs to FPL are:

24



1	a.	2 - Power Modules (generators with switchgear and	
2		weatherproof enclosures)	
3		Total price for both modules	\$ 900,000
4		(450,000/ea.)	
5	b.	Fuel storage tanks, 5000 gallons	\$ 4,200
6		(above ground)	
7	c.	Labor	\$ 100,000
8	d.	Liability Insurance	\$ 9,200
9	e.	Permitting construction and	
10		environmental	\$ 18,000
11			
12			
13	f.	Payment and performance bonds	\$ 9,200
14	g.	Engineering	\$ 50,000
15	i.	Contingency (for unknown site conditions)	\$ 50,000
16	j.	On-site construction management	\$ 54,000
17	k.	Overhead	\$ 179,190
18	l.	Profit	\$ 137,379
19			<hr/>
20		Total costs for 2 generators and	
21		associated equipment	\$1,511,169

23 Q) In Mr. Dyal's testimony, page 6, lines 13-15, he states  
24 "When the plant goes down due to an electrical outage it  
25 takes two people per production line to restart the line  
26 and approximately eight hours to get the line back to

1 full production". And on line 19 he further states, "You  
2 can also see that it is critical that another "blink" not  
3 occur during the eight hours of restart or the process  
4 must start over." What is your estimate of the cost to  
5 run the two generators during such an eight-hour  
6 operation?

7  
8 A) The cost of operation for two generators during an 8-hour  
9 period will be approximately \$1,120, or \$140 per hour.

10  
11 Q) Mr. Dyal asserts in his testimony on page 5, lines 20-24  
12 that, "Clay is offering an innovative service that takes  
13 into account the unique operational needs of the customer  
14 through the use of load management generators for back-up  
15 as well as load management, which when coupled with  
16 Clay's three phase service is clearly a superior method  
17 of providing the required service." Do you agree that  
18 Clay's service proposal is superior to FPL's dual  
19 throwover service?

20  
21 A) No. The service Clay is offering the customer is  
22 somewhat innovative. However, the proposal from FPL will  
23 provide the customer with reliable service at a  
24 significantly lower installation cost. Based on Clay's

1           proposal, someone will need to subsidize not only the  
2           installation of the generators, but also the costs to  
3           maintain and operate the system, since Clay will be  
4           providing the generators to the customer at no cost.  
5           When all costs are examined, the costs of 1.1 million  
6           would increase by approximately 25% for additional  
7           factors. This increase is due to the insurance,  
8           permitting, payment and performance bond, engineering  
9           services, overhead and profit. FPL's proposed system  
10          will provide superior service for the customer because of  
11          the very fast transfer time for distribution  
12          interruptions and will be a much more cost effective  
13          system, both in initial capital cost and in operating and  
14          maintenance costs.

15  
16        Q)    Does this conclude your testimony?

17  
18        A)    Yes.