



**West Florida Electric
Cooperative Association, Inc.**

A Touchstone EnergySM Partner



ORIGINAL

P.O. Box 127
Graceville, FL 32440-0127
(850) 263-3231
Toll Free Florida: 1-800-342-7400
Web Address: www.wfeca.net

P.O. Box 37
Bonifay, FL 32425-0037
(850) 547-9325

P.O. Box 1100
Sneads, FL 32460-1100
(850) 593-6491

August 22, 2001

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FPSC-COMMISSION CLERK

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

VIA HAND DELIVERY

RE: In Re: Territorial Dispute Between West Florida Electric Cooperative Association, Inc. and Gulf Power Company in Washington County, Florida
Docket No.: 010441-EU

Dear Ms. Bayo:

I am enclosing herewith the originals and fifteen (15) copies of the Rebuttal Testimony of Jeff Parish, Joseph E. Perry, III, P.E., Mark A. Cicchetti, Michael K. Moore, P.E. and Russell L. Dunaway filed on behalf of West Florida Electric Cooperative Association, Inc.

I am also enclosing a copy of this letter as an acknowledgement copy and would appreciate it if you would file stamp it and return it to me in the enclosed self-addressed/stamped envelope as an acknowledgement of the date the above Rebuttals were filed. Please call me if you have any questions regarding this matter.

Very truly yours,

Gary F. Clark

10407-01 thru 10411-01

GFC/daj
Enclosures

- cc: John H. Haswell, Esquire
Attorney for West Florida Electric Cooperative Association, Inc.
- Frank E. Bondurant, Esquire
Attorney for West Florida Electric Cooperative Association, Inc.
- William S. Rimes, Executive Vice President and CEO
West Florida Electric Cooperative Association, Inc.
- Jeffrey A. Stone, Esquire
Attorney for Gulf Power Company
- Russell A. Badders, Esquire
Attorney for Gulf Power Company

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FPSC-BUREAU OF RECORDS

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Territorial Dispute Between
West Florida Electric Cooperative
Association, Inc. and Gulf Power
Company in Washington County,
Florida.

Docket No.: 010441-EU

Date Filed: August _____, 2001

REBUTTAL

OF

MICHAEL K. MOORE, P.E.

FOR

**WEST FLORIDA ELECTRIC
COOPERATIVE ASSOCIATION, INC.**

DOCUMENT NUMBER-DATE

10410 AUG 22 2001

FPSC-COMMISSION CLERK

1 West Florida Electric Cooperative Association, Inc.

2 Before the Florida Public Service Commission

3 Prepared Rebuttal Testimony of

4 Michael K. Moore, P.E.

5 Docket No. 010441-EU

6 Date of Filing: August 22, 2001

7

8 Q. Please state your name and business address.

9 A. My name is Michael K. Moore. My business address is 5555
10 North Grand Blvd., Oklahoma City, Oklahoma 73112-5507.

11 Q. By whom are you employed?

12 A. I am employed by C. H. Guernsey & Company, Engineers,
13 Architects, and Consultants, Oklahoma City, Oklahoma.

14 Q. What is your position with the firm and what are your general
15 areas of responsibility?

16 A. I am Executive Vice President and Manager of the Analytical
17 Services Group of the Energy Division. I am involved in the
18 administration and overall operation of the firm. I direct the firm's
19 activities in the area of analytical, technical, and economic studies
20 for utility, municipal, industrial and governmental clients. I also
21 manage a number of the firm's projects in such areas as contract
22 negotiations, electric utility planning studies, power supply studies,
23 rate analysis, and engineering economic analysis.

24 Q. Please summarize your educational and professional background.

25 A. Exhibit _____ (MKM-1) is a resume summarizing my

1 educational and professional background.

2 Q. Have you previously testified in regulatory proceedings?

3 A. Yes. I have previously testified before state commissions in
4 Texas, Oklahoma, Louisiana, Maryland, and Wyoming, and before
5 the Federal Energy Regulatory Commission.

6 Q. On whose behalf are you appearing in this proceeding?

7 A. I am appearing on behalf of West Florida Electric Cooperative
8 Association, Inc. ("West Florida"). West Florida is an electric
9 distribution cooperative headquartered in Graceville, Florida.
10 West Florida currently provides electric service in Washington
11 County, including service to Florida Gas Transmission's ("FGT's")
12 Station 13 and to the disputed area referred to, as a four-mile
13 radius around station 13-A.

14 Q. What is the purpose of your rebuttal testimony?

15 A. The purpose of my rebuttal testimony is to respond to the
16 suggestion by Gulf Power Company's ("GPC's") witness Ted
17 Spangenberg, Jr. that only GPC is capable of serving two large
18 electric motors without creating an uneconomic duplication of
19 facilities.

20 Q. Please briefly describe the nature of the dispute between West
21 Florida and GPC.

22 A. GPC and Enron Compression Services ("ECS") have executed an
23 agreement under which GPC is to provide electric service to two
24 large electric motors to be installed by FGT and leased to ECS.
25 West Florida disputes GPC's right to provide electric service to the

- 1 two electric motors, or to any other site in the disputed area.
- 2 Q. Please explain how West Florida obtains power to serve its
3 customers.
- 4 A. West Florida purchases all of its power requirements from
5 Alabama Electric Cooperative, Inc. ("AEC"). AEC is an electric
6 generation and transmission cooperative that provides wholesale
7 power to a number of electric distribution cooperatives, including
8 West Florida. AEC also provides transmission service to deliver
9 all of West Florida's power requirements to its delivery points.
10 AEC provides that transmission service through a combination of
11 transmission facilities that it owns and transmission service
12 arrangements with other transmission providers, including service
13 obtained pursuant to the Southern Companies' Open Access
14 Transmission Tariff ("OATT"). In accordance with the OATT, AEC
15 is entitled to receive transmission service over the transmission
16 facilities of GPC.
- 17 Q. Does West Florida own any transmission facilities?
- 18 A. No. The relationship between West Florida and AEC is such that
19 AEC assumes responsibility for all transmission arrangements,
20 including construction of any transmission facilities that may be
21 required to provide service to West Florida's delivery points. Such
22 a relationship is typical between electric generation and
23 transmission cooperatives (such as AEC) and the electric
24 distribution cooperatives (such as West Florida) that they serve.
- 25 Q. Are the existing facilities of West Florida and AEC adequate to

1 serve the two motors?

2 A. Apparently not. GPC witness M. W. Howell states at page 3, lines
3 13-17 of his direct testimony that "Gulf analyzed the electric
4 transmission system in the area and concluded that the only way
5 that service could be provided to this load in accordance with the
6 customer's requirements was to use Gulf's Smith - Shoal River
7 230 kV transmission line as a source." (emphasis in original).

8 Q. Can West Florida and AEC construct facilities necessary to serve
9 the two motors?

10 A. Yes. West Florida and AEC could construct the same
11 transmission and substation facilities that GPC proposes to
12 construct in order to provide service to the two motors. AEC could
13 tap GPC's Smith - Shoal River 230 kV transmission line (as GPC
14 proposes to do), and construct a new 230 kV transmission line
15 from the tap to Station 13-A (as GPC proposes to do). West
16 Florida could construct a 230 kV substation (as GPC proposes to
17 do) to provide distribution voltage service to the two motors (as
18 GPC proposes to do).

19 Q. Previously, you stated that AEC obtains transmission service
20 under Southern Companies' OATT. Does that service entitle AEC
21 to tap GPC's 230 kV transmission line?

22 A. Yes. That fact was confirmed by GPC in its response to
23 Interrogatory No. 11 of West Florida's First Set of Interrogatories,
24 wherein GPC stated that there were no "objections, legal
25 constraints, or reasons" why AEC could not tap into GPC's 230 kV

1 transmission line. See my Exhibit _____ (MKM-2).

2 Q. If the Commission determines that West Florida is entitled to serve
3 the new load, is it necessary for West Florida and AEC to
4 construct the facilities necessary to serve the two motors?

5 A. No. Instead, West Florida and AEC can use the facilities being
6 installed by GPC. Such use could consist of a combination of
7 transmission service and/or purchase of facilities from GPC. The
8 transmission service would be obtained by AEC under the
9 Southern Companies' OATT. In response to Interrogatory No. 12
10 of West Florida's First Set of Interrogatories, GPC stated that it
11 would be willing to sell the 230 kV transmission line tap and
12 associated facilities that it plans to construct to serve the two
13 motors if GPC does not serve the load. See my Exhibit _____
14 (MKM-3). The parties would have to decide which of the facilities
15 being installed by GPC would be purchased, and which entity
16 would make the purchase. At this time, West Florida would
17 expect that any transmission facilities to be purchased would be
18 purchased by AEC, and that any distribution facilities, including
19 the substation, to be purchased would be purchased by West
20 Florida.

21 Q. If West Florida and AEC use the 230 kV transmission tap line and
22 associated facilities being installed by GPC to serve the two
23 motors, would there be any uneconomic duplication of facilities?

24 A. No. That fact was confirmed by Mr. Spangenberg at lines 15-24
25 of page 14 of his direct testimony. There, Mr. Spangenberg stated

1 that the facilities that GPC plans to construct to serve the two
2 motors will not result in any duplication of facilities. That is true
3 whether the use of the GPC facilities is through transmission
4 service or a purchase of facilities.

5 Q. Does that conclude your rebuttal testimony?

6 A. Yes.

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9 **TO BE SWORN TO AT HEARING**

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AFFIDAVIT

STATE OF OKLAHOMA

COUNTY OF OKLAHOMA

BEFORE ME, the undersigned authority personally appeared MICHAEL K. MOORE, P.E., who being by me first duly sworn and who is personally known to me, deposed and says that the foregoing Rebuttal Testimony and Exhibits, if any, are true and correct to the best of his information, knowledge and belief.

Michael K. Moore

Michael K. Moore, P.E.

Sworn to and subscribed before me this 21st day of August, 2001.

Pat Burnett

Notary Public, State of OK
Print Name: PAT BURNETT
Commission Number: 98014535
Commission Expiration Date: 10-05-02

MKM __ 1
MICHAEL K. MOORE, P.E.
EXECUTIVE VICE PRESIDENT
MANAGER, ANALYTICAL SERVICES

REGISTRATIONS

Registered Professional Engineer: Oklahoma No. 14829

EDUCATION

BEE (Highest Honor, Cooperative Plan), Georgia Institute of Technology, 1979

EXPERIENCE RECORD

1993 - Present **C. H. Guernsey & Company**, Engineers • Architects • Consultants; 5555 North Grand Boulevard, Oklahoma City, Oklahoma 73112-5507.

2000 - Present, Director, Executive Vice President and Assistant Secretary; Manager of Analytical Services Group, Energy Division.

1998 to 2000, Director, Senior Vice President and Secretary-Treasurer; Manager of Analytical Services Group, Energy Division.

1997 to 1998; Director, Senior Vice President; Manager of Analytical Services Group, Energy Division.

Mr. Moore specializes in the technical and economic evaluation of numerous areas related to power system planning and operation, including cogeneration, power supply planning, transmission planning, contract negotiations, reliability analysis, system modeling and simulation studies, and valuation studies. Mr. Moore has presented expert testimony in numerous proceedings before state and federal regulatory commissions on issues related to transmission planning, transmission service, cost allocation studies, rate design, avoided cost analysis, and load management. He has also testified as an expert witness in civil proceedings, and has prepared comments to rulemaking proposals of regulatory agencies.

1982 - 1991 **C. H. Guernsey & Company**, Member and Manager of Power Systems Analysis Department.

1991 - 1993 **Rayburn Country Electric Cooperative, Inc.**, Rockwall, Texas. Director of Power Supply. Primary responsibilities involved evaluation, negotiation, implementation and administration of power supply and transmission arrangements for an electric generation and transmission cooperative. Also responsible for wholesale metering and billing, various regulatory activities, negotiation and administration of facilities lease arrangements, and coordinating technical activities with members.

**MICHAEL K. MOORE, P.E.
EXECUTIVE VICE PRESIDENT
MANAGER, ANALYTICAL SERVICES**

Page 2 of 2

1979 - 1982 **South Mississippi Electric Power Association**, Hattiesburg, Miss. System Planning Engineer. Primary responsibilities involved transmission system planning, generation planning, load forecasting, collection and analysis of substation metering data, revenue and sales estimates for budget, design of wholesale electric rates, and preliminary work on load management. Considerable experience in performing load flow studies and developing computer software for special applications.

PAPERS AND PRESENTATIONS

"The Texas Senate Interim Committee on Electric Utility Restructuring." Texas Senate Select Committee, Grapevine, Texas; March 25, 1998.

"The Purpose of a Valuation Study." NRECA Valuation Studies, Lincoln, Nebraska; September 1996.

"Waiver Applications for "Small" Public and Non-Public Utilities - How Might The Standards for Exemptions be Set?" Panelist. NRECA Forum '96 - Complying with FERC Order Nos. 888 & 889, Arlington, Virginia; August 8, 1996.

"Public/Competitive Power Pooling." 1996 Power Pooling Meeting, Irving, Texas; July 17, 1996.

"Stakeholders Dialogue and Collaborative - Wyoming Rural Electric Cooperatives," presented for conference sponsored by Wyoming Public Service Commission in Casper, Wyoming; May 14, 1996.

"Power System Planning and Operation," presented to Philippines Energy Regulatory Board; Manila, Philippines; December 18-20, 1995.

"System Valuation Studies," presented for NRECA's Advanced Management Training; Lincoln, Nebraska; September 13, 1995.

"Reducing Oilfield Electrical Costs Through Efficient Operations." TEC/North Texas Oil & Gas Workshop, Wichita Falls, Texas; August 24, 1995.

"Rate Design and Financial Strategy Issues for Cooperatives," presented for South Dakota Rural Electric Office Managers and Accountants Association; Huron, S. Dak.; April 27, 1995.

"Rates & Equity Structuring For Survival." NRECA Annual Meeting; March 1, 1995.

"Transmission Access Revolution," presented for NRECA's 1994 EXPO; New Orleans, Louisiana; February 5, 1994.

11. Please state in detail any objection, legal constraints, or reasons as to why WFEC or Alabama Electric Cooperative, Inc. ("AEC") could not tap into GPC's 230 kV transmission line in Washington County under Southern Company's currently effective Open Access Transmission Tariff ("OATT") on file at FERC.

ANSWER:

None, provided that the activities of AEC or WFEC would comply with the provisions of the OATT. The OATT is not a Southern Company tariff as inferred in the Interrogatory. It is a tariff administered by Southern Company Services ("SCS") as agent for Gulf and its sister operating companies..

12. State whether and under what conditions GPC is willing to sell the 230 kV transmission line tap and associated facilities constructed or to be constructed to provide service to the disputed area ("Station 13A as identified by ECS") to AEC or WFEC?

ANSWER:

At this time, Gulf Power Company would be willing to sell the facilities that it currently has planned for construction to serve ECS at Station 13-A only if the Florida Public Service Commission prohibits Gulf from serving ECS. In that case, Gulf would sell its facilities to WFEC or AEC at a price that would fully compensate Gulf for its investment costs, including any applicable overheads, fees, taxes, or other charges associated with this installation.