

One Energy Place
Pensacola, Florida 32520

Tel 850 444.6111



March 31, 2003

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

Enclosed for official filing in Docket No. 030007-EI are an original and ten copies of the following:

1. Prepared direct testimony of J. O. Vick.
2. Prepared direct testimony and exhibit of S. D. Ritenour.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

Enclosures

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

Vick
DOCUMENT NUMBER-DATE
~~03035~~ APR 1 8
FPSC-COMMISSION CLERK

Ritenour
DOCUMENT NUMBER-DATE
03036 APR 1 8
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery)
Clause)
_____)

Docket No. 030007-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished
this 31st day of March 2003 by U.S. Mail or hand delivery to the following:

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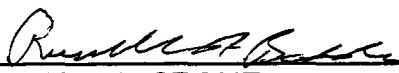
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**ENVIRONMENTAL COST RECOVERY
CLAUSE**

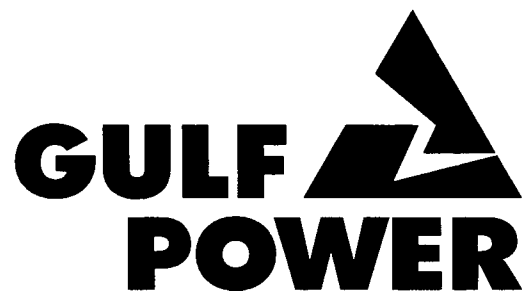
DOCKET NO. 030007-EI

**PREPARED DIRECT TESTIMONY
OF
JAMES O. VICK**

**FINAL TRUE-UP FILING
FOR THE PERIOD**

JANUARY 2002 – DECEMBER 2002

APRIL 1, 2003



A SOUTHERN COMPANY

DOCUMENT NUMBER-DATE

03035 APR-18

FPSC-COMMISSION CLERK

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission
3 Prepared Direct Testimony of
4 James O. Vick
Docket No. 030007-EI
April 1, 2003

5 Q. Please state your name and business address.

6 A. My name is James O. Vick and my business address is One Energy Place,
7 Pensacola, Florida, 32520.

8
9 Q. By whom are you employed and in what capacity?

10 A. I am employed by Gulf Power Company as the Manager of Environmental
11 Affairs.

12
13 Q. Mr. Vick, will you please describe your education and experience?

14 A. I graduated from Florida State University, Tallahassee, Florida, in 1975 with a
15 Bachelor of Science Degree in Marine Biology. I also hold a Bachelor's
16 Degree in Civil Engineering from the University of South Florida in Tampa,
17 Florida. In addition, I have a Masters of Science Degree in Management
18 from Troy State University, Pensacola, Florida. I joined Gulf Power Company
19 in August 1978 as an Associate Engineer. I have since held various
20 engineering positions such as Air Quality Engineer and Senior Environmental
21 Licensing Engineer. In 1996, I assumed my present position as Manager of
22 Environmental Affairs.

23
24 Q. What are your responsibilities with Gulf Power Company?

25 A. As Manager of Environmental Affairs, my primary responsibility is overseeing

1 the activities of the Environmental Affairs section to ensure the Company is,
2 and remains, in compliance with environmental laws and regulations, i.e.,
3 both existing laws and such laws and regulations that may be enacted or
4 amended in the future. In performing this function, I am responsible for
5 numerous environmental activities.

6
7 Q. Are you the same James O. Vick who has previously testified before this
8 Commission on various environmental matters?

9 A. Yes.

10
11 Q. Mr. Vick, what is the purpose of your testimony?

12 A. The purpose of my testimony is to support Gulf Power Company's true-up for
13 the period from January 1, 2002 through December 31, 2002.

14
15 Q. Mr. Vick, please compare Gulf's recoverable environmental capital costs
16 included in the final true-up calculation for the period January 2002 through
17 December 2002 with the approved estimated true-up amounts.

18 A. As reflected in Ms. Ritenour's Schedule 6A, the recoverable capital costs
19 included in the estimated true-up total \$8,540,399, as compared to the actual
20 recoverable capital costs of \$8,541,860. This results in a small variance of
21 \$1,461.

22
23 Q. How do the actual O&M expenses for the period January 2002 to December
24 2002 compare to the estimated true-up?

25 A. Mrs. Ritenour's Schedule 4A reflects that Gulf's recoverable environmental

1 O&M expenses for the current period were \$2,630,858, as compared to the
2 estimated true-up of \$2,609,850. This results in a year-end variance of
3 \$21,008. I will address eight O&M projects and programs that contribute to
4 this variance.

5
6 Q. Please explain the variance of (\$19,181) in Sulfur (Line Item 1.1).

7 A. Sulfur injection into the flue gas enhances the collection efficiency of the
8 Crist Unit 7 electrostatic precipitator when burning low sulfur coal. Sulfur use
9 is dependent on the quality and content of the fuel supply at Plant Crist.
10 Plant Crist has not used the sulfur injection system as much as was
11 anticipated during 2002.

12
13 Q. Please explain the variance of (\$14,328) in Title V (Line Item 1.3).

14 A. This variance is due to less than projected legal expenses and support of the
15 Title V negotiations previously expected to incorporate Environmental
16 Protection Agency's eight hour ozone and fine particulate standards.
17 Implementation of these standards has been delayed due to court
18 challenges.

19
20 Q. Please explain the variance of (\$66,989) in Emission Monitoring (Line
21 Item 1.5).

22 A. Gulf's estimated true-up for Emission Monitoring includes testing and
23 development of the compliance assurance monitoring (CAM) protocols as
24 required by the Clean Air Act. The actual costs for CAM were less than
25 previously anticipated due to reduced testing and associated protocol

1 development charges.

2

3 Q. Please explain the variance of (\$11,269) in the category entitled Lead and
4 Copper Rule (Line Item 1.9).

5 A. This variance is due to chemical usage costs for corrosion control treatment
6 in the potable water system at Plants Crist and Smith being less than the
7 projected expenditures.

8

9 Q. Please explain the variance of \$5,295 in the category entitled Environmental
10 Auditing and Assessment (Line Item 1.10).

11 A. The costs associated with this program were greater than what was projected
12 because a more extensive audit was performed at the plants during the
13 recovery period. An unscheduled audit of district operations also contributed
14 to the deviation.

15

16 Q. Please explain the variance of \$62,237 in the category entitled General Solid
17 & Hazardous Waste (Line Item 1.11).

18 A. This variance is due to unanticipated waste removal costs incurred during the
19 projection period. More waste was generated at Gulf's facilities than
20 originally expected.

21

22 Q. Please explain the variance of \$14,411 in the category entitled Above Ground
23 Storage Tanks (Line Item 1.12).

24 A. The secondary containment around the caustic and mineral acid storage tank
25 systems at Plant Smith are to be coated with an impervious material in 2003.

1 The coating materials were purchased during 2002 in preparation for the
2 scheduled work.

3

4 Q. Please explain the variance of (\$9,100) in Sodium Injection (Line Item 1.16).

5 A. The expenses that Gulf incurs for this program are dependent on the
6 available coal supply and the necessity for sodium injection. The necessity for
7 sodium injection based on the current coal supply was less than what was
8 anticipated for the period.

9

10 Q. Does this conclude your testimony?

11 A. Yes.

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AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

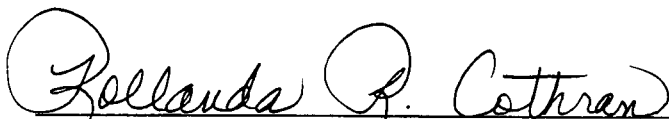
Docket No. 030007-EI

Before me the undersigned authority, personally appeared James O. Vick, who being first duly sworn, deposes, and says that he is the Manager of Environmental Affairs of Gulf Power Company, a Maine corporation, and that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.



James O. Vick
Manager of Environmental Affairs

Sworn to and subscribed before me this 27th day of March, 2003.



Notary Public, State of Florida at Large

Commission Number:

Commission Expires:

