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March 20, 1992

HAND DELIVERED

ORIGINAL  
FILE COPY

Mr. Steven C. Tribble, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32301

Re: Territorial Dispute Between Okefenoke Rural  
Electric Membership Corporation, and the  
Jacksonville Electric Authority of the City of  
Jacksonville, in Duval County;  
FPSC Docket No. 911141-EU

Dear Mr. Tribble:


Enclosed for filing in the above docket on behalf of Okefenoke  
Rural Electrical Membership Corporation are the original and  
fifteen (15) copies of the Rebuttal Testimony and Exhibit of  
Robert C. Dew, Jr.

Please acknowledge receipt and filing of the above by stamping  
the duplicate copy of this letter and returning same to this  
writer.

- ACK
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG  JJW/csu
- LEG \_\_\_\_\_
- LIN  Enclosures
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

Thank you for your assistance in connection with this matter.

Yours truly,

  
J. Jeffrey Wahlen

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

02799 MAR 20 1992

FPSC-RECORDS/REPORTING

Mr. Steven C. Tribble, Director  
Division of Records and Reporting  
Florida Public Service Commission  
Page 2

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the Rebuttal Testimony and Exhibit of Robert C. Dew, Jr. have been furnished by Overnight Express or Hand Delivery\* this 20th day of March, 1992 to the following:

Martha Carter Brown\*  
Florida Public Service Commission  
Division of Legal Services  
101 East Gaines Street  
Tallahassee, FL 32301

Bruce Page  
Assistant General Counsel  
Office of the General Counsel  
1300 City Hall  
Jacksonville, FL 32202

  
\_\_\_\_\_  
ATTORNEY

1                                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2   PREPARED REBUTTAL TESTIMONY

3   OF

4   ROBERT C. DEW, JR.

5  
6       Q.    PLEASE STATE YOUR NAME AND ADDRESS.

7  
8       A.    My name is Robert C. Dew, Jr. and my business address is 1800  
9            Peachtree Street, N.W., Atlanta, Georgia.

10  
11      Q.    ARE YOU THE SAME ROBERT C. DEW, JR. WHO PREPARED DIRECT  
12            TESTIMONY IN THIS DOCKET WHICH WAS FILED FEBRUARY 7, 1992?

13  
14      A.    Yes, I am.

15  
16      Q.    WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

17  
18      A.    The purpose of my rebuttal testimony is to respond to certain  
19            portions of the direct testimony of Sheldon R. Ferdman.  
20            Specifically, I would like to address two points covered by  
21            Mr. Ferdman in his direct testimony. These points include:  
22            1. The number of members served by OREMC along Airport Road;  
23            and  
24            2. Duplication of Service in the Airport Road area.

1 Q. MR. FERDMAN STATED IN HIS TESTIMONY THAT JEA SERVES ALL OTHER  
2 HOTELS ALONG AIRPORT ROAD AND ALL OTHER ESTABLISHMENTS EXCEPT  
3 FOR A SEWER TREATMENT FACILITY AND THE HOLIDAY INN SIGN. DO  
4 YOU AGREE WITH THIS STATEMENT?

5

6 A. No. Based on my physical inspection of the area and review of  
7 OREMC's business records, I disagree with this statement.  
8 OREMC serves two car rental facilities located along Airport  
9 Road. My Exhibit No. \_\_\_\_ (RD-8a), includes a picture of the  
10 street lighting at one of the car rental facilities served by  
11 OREMC on Airport Road.

12

13 My Exhibit No. \_\_\_\_\_ (RD-10) shows the OREMC's primary  
14 distribution facilities and consumers near the Holiday Inn on  
15 Airport Road. From this exhibit it is clear that OREMC serves  
16 more than a single sewer treatment facility and one sign in  
17 the Airport Road area. It is also interesting to note that  
18 OREMC is providing street lighting service to the Admiral  
19 Benbow Inn while JEA serves the rest of the motel itself.

20

21 To summarize, OREMC serves two sewer treatment facilities, the  
22 Holiday Inn, three highway signs, security lights for the  
23 Admiral Benbow Inn and two rental car facilities, all of which  
24 are located on Airport Road.

25

1 Q. WHAT IS THE SOURCE OF YOUR EXHIBIT NO. \_\_\_\_\_ (RD-10)?

2

3 A. This exhibit was prepared under my direction and supervision  
4 using Mr. Ferdman's Exhibit No. \_\_\_\_\_ (SRF-4) as a background  
5 since it had JEA's facilities and roads shown together on a  
6 single drawing. The information concerning OREMC's facilities  
7 is based on my field inspections.

8

9 Q. FROM AN ENGINEERING PERSPECTIVE, ARE SECURITY LIGHTS  
10 CONSIDERED "GOOD" LOAD?

11

12 A. No. The fact the JEA serves the buildings and main business  
13 account at the Admiral Benbow Inn, while leaving OREMC to  
14 serve the less desirable "security light" load, appears to be  
15 another example of JEA's practice of "cherry picking" the good  
16 loads. Based on my physical inspection of the Admiral Benbow  
17 Inn site and review of how OREMC's system developed over time,  
18 I believe that OREMC could have provided all of the Admiral  
19 Benbow Inn's electric service needs. For that matter, OREMC  
20 could have efficiently provided service to many of the other  
21 businesses in the Airport Road area.

22

23 Q. MR. FERDMAN HAS IMPLIED THAT ALLOWING JEA TO PROVIDE PERMANENT  
24 SERVICE TO THE HOLIDAY INN WILL ELIMINATE DUPLICATION OF  
25 FACILITIES. DO YOU AGREE?

1 A. No. In order to continue providing service to the Holiday  
2 Inn's sign and sewer treatment plant, OREMC will be required  
3 to maintain all of their facilities which are capable to  
4 serving the Holiday Inn. Having both JEA and OREMC with three  
5 phase underground cable running along the east side of the  
6 Holiday Inn is a blatant example of uneconomic duplication of  
7 facilities. Uneconomic duplication of facilities occurs when  
8 a second utility constructs distribution facilities adjacent  
9 to or near the first utility's already existing facilities.  
10 When duplication occurs, an important question becomes which  
11 utility had facilities in place first. The fact that OREMC  
12 was first to install facilities to serve the Holiday Inn, and  
13 the fact that the JEA duplicated OREMC's facilities at the  
14 Holiday Inn, should be considered by the FPSC when resolving  
15 this dispute.

16

17 Q. HOW DO YOU KNOW THAT JEA HAS DUPLICATED OREMC'S FACILITIES AT  
18 THE HOLIDAY INN?

19

20 A. Based on Mr. Pete J. Gibson's Direct Testimony and Exhibit  
21 No. \_\_\_\_\_ (PJG-1), OREMC has had a contract for service with  
22 the Holiday Inn since July 3, 1968 and has never terminated  
23 the service contract nor disconnected the Holiday Inn from its  
24 system. Mr. Ferdman's testimony states that the Holiday Inn  
25 became a customer of JEA on October 25, 1991.

1 Q. MR. FERDMAN'S TESTIMONY IMPLIES THAT OREMC HAS DUPLICATED JEA  
2 IN AND AROUND THE AIRPORT ROAD AREA. IS THIS TRUE?

3

4 A. No. During my inspections of JEA's facilities and the OREMC's  
5 facilities, I observed that the brands (birthmarks) on JEA's  
6 poles east of Ranch Road along Airport Road (see my Exhibit  
7 No. \_\_\_\_\_ (RD-10)) are dated after 1968 when OREMC had  
8 distribution facilities in the vicinity and available to serve  
9 the Holiday Inn. So, based on my observations, JEA has  
10 duplicated OREMC's facilities at this end of Airport Road, not  
11 the other way around. In my opinion, this duplication of  
12 facilities is not in the public interest and has an adverse  
13 impact on electric consumers both inside and outside Duval  
14 County. These facts should be considered by the FPSC when  
15 resolving this dispute.

16

17 Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.

18

19 A. Contrary to the testimony of Mr. Ferdman, the OREMC provides  
20 electric service to more than two businesses in the Airport  
21 Road area. The JEA has systematically duplicated OREMC's  
22 facilities in the Airport Road area by providing electric  
23 service to customers which could have easily been served by  
24 OREMC. This duplication of facilities is not in the interest  
25 of the public, either inside or outside of Duval County.

1 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

2

3 A. Yes, it does.

jjw\pld\dew.rbt



