

Gulf Power Company
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Telephone 904 444 6365

ORIGINAL
FILE COPY

Jack L. Haskins
Manager of Rates and Regulatory Matters
and Assistant Secretary

the southern electric system

May 10, 1994

Ms. Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
101 East Gaines St.
Tallahassee, FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. [REDACTED]

Enclosed for official filing in the above referenced docket are
an original and fifteen (15) copies of the Prepared Direct
Testimony and Exhibit of W. C. Weintritt.

Sincerely,

Jack L. Haskins

ab

Enclosures



ACK _____
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FPSC-RECORDS/REPORTING

"Our business is customer satisfaction"

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Gulf Power Company
Before the Florida Public Service Commission
Direct Testimony of
W. C. Weintritt
Docket No. 930885-EU

Date of Filing: May 10, 1994

Q. What is your name?

A. William C. Weintritt.

Q. What is your address?

A. My business address is 1230 East 15th Street, Panama City, Florida, 32402.

Q. What is your area of responsibility?

A. I am the Power Delivery Manager for the Panama City District of Gulf Power Company. I am responsible for the planning, engineering design, construction and maintenance of Gulf Power's distribution systems within Bay, Calhoun, Holmes, Jackson and Washington Counties. I am also responsible for transmission system maintenance within these counties.

Q. Do you have an exhibit that contains information to which you will refer in your testimony?

1 A. Yes, I have. My exhibit consists of one schedule, which
2 is a business record maintained under my supervision and
3 direction.

4 Counsel: We ask that Mr. Weintritt's Exhibit consisting
5 of one schedule be marked as Exhibit No. _____
6 (WCW-1).
7

8 Q. What is the purpose of your testimony?

9 A. I will present facts to support the Company's request
10 that the Florida Public Service Commission ["Commission"]
11 award Gulf Power the right to provide electric service to
12 the area in dispute. Specifically, my testimony will
13 demonstrate that Gulf Power has adequate facilities in
14 place to provide reliable electric service to the
15 disputed area at a lower cost, both to the Company and to
16 the customer, than that of Gulf Coast Electrical
17 Cooperative, Inc. ["the Coop"]. In fact, in order to be
18 able to provide the disputed area with electric service,
19 the Coop has already unnecessarily and uneconomically
20 duplicated Gulf Power's existing facilities.
21

22 Q. What is the area in dispute in this docket?

23 A. The disputed area is the site of the new Washington
24 Correctional Institute near the intersection of State
25 Highways 77 and 279 in Washington County.

1 Q. Why is there a dispute regarding which utility should
2 provide electric service to the new Washington
3 Correctional Institute?

4 A. From Gulf Power's perspective this dispute developed
5 because, in order for the Coop to serve the new prison,
6 it had to construct new three phase electric distribution
7 facilities along Highway 279 to reach a point adjacent to
8 the prison's required point of service. The Coop's newly
9 constructed facilities extend from Highway 77 and are
10 parallel to (and across Highway 279 from) Gulf Power's
11 existing three phase facilities which have been in place
12 since 1971. Gulf's lines are both adjacent to the prison
13 and on the same side of the highway as the prison. Gulf
14 is more capable of providing reliable electric service to
15 the prison, at a lower cost, than is the Coop. Gulf
16 believes strongly that it is therefore in the public
17 interest that Gulf Power and not the Coop should be the
18 service provider for the prison site.

19
20 Q. Why is the "disputed area" limited to the parcel of land
21 on which the Department of Corrections is constructing a
22 new correctional facility in Washington County?

23 A. Because the only active controversy between the two
24 utilities involves this specific area. In fact, until
25 Gulf filed its complaint in this docket, it had been

1 nearly nine years since the last time either utility had
2 initiated litigation to resolve a territorial dispute
3 against the other. This is a strong indication that the
4 guidance the Commission has provided in resolving past
5 disputes has generally enabled both utilities to properly
6 extend electric service to new customers based on which
7 utility can provide the service at the least cost, while
8 satisfying the legislative directive to avoid the
9 uneconomic duplication of facilities as provided in the
10 statute granting the Commission jurisdiction over
11 territorial disputes.

12 Over the past 23 years there have been only six
13 litigated territorial disputes between Gulf Power and the
14 Coop, including this case. To put this history in proper
15 perspective, it is important to note the timing of the
16 various disputes. The first case between these two
17 utilities was initiated by the Coop in March, 1971. More
18 than ten years passed before the second dispute was
19 filed, again by the Coop, in April, 1981. The next three
20 disputes between Gulf and the Coop were filed by one
21 party or the other between March, 1983 and March, 1985, a
22 period of 24 months. As I pointed out earlier, the
23 current dispute is before the Commission nearly nine
24 years after the last previous dispute was initiated by
25 the Coop in March, 1985.

1 Gulf Power believes that the infrequency of the
2 disputes between these utilities demonstrates that the
3 current system used to allocate service territory works
4 well. As a result, it would be inappropriate to enlarge
5 the definition of the "disputed area" beyond the specific
6 territory actually in dispute between the parties; that
7 is, the land area that can be served from the new three
8 phase electric facilities that the Coop has recently
9 constructed along Highway 279 from the intersection with
10 Highway 77.

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Q. Has Gulf Power previously provided electric service within Washington County?

A. Yes. Gulf Power first began providing electric service in Washington County in 1926, when the City of Chipley, the county seat for Washington County, awarded Gulf a franchise to serve in that area. Since that early beginning, Gulf Power has conducted an orderly and planned expansion of service to accommodate our customers throughout the County. In fact, prior to 1981, when the Coop terminated their wholesale service from Gulf, all electrical power in South Washington County was provided by Gulf Power either at the retail or wholesale level.

1 Q. Are you familiar with Gulf Power Company's transmission
2 and distribution facilities in that area?

3 A. Yes. I have been the Manager of Engineering and the
4 present Manager of Operations with responsibility for
5 Washington County since 1978. Gulf Power now has 69
6 miles of high voltage transmission line, 390 miles of
7 distribution line, and 5 substations in Washington
8 County.

9

10 Q. Does Gulf Power have facilities in place which would be
11 adequate to provide electric service to the correctional
12 facility?

13 A. Absolutely. Gulf Power has three-phase, 25 kv lines
14 bordering the prison site on two sides. These lines,
15 which are immediately adjacent to the prison, have been
16 in place for years before the prison was sited. Gulf
17 Power would not have to extend any new lines in order to
18 provide the prison with electric service.

19

20 Q. Please describe Gulf Power's facilities located in the
21 disputed area as to rating, capacity, present load and
22 reserve capacity.

23 A. Gulf's facilities consist of 25 kv distribution lines
24 which may be fed from either the Vernon or the Sunny
25 Hills substations. The normal rating of the Vernon

1 transformer is 11,550 kva. Its present peak load is
2 2,870 kva, leaving a reserve capacity of 8,680 kva. The
3 Sunny Hills transformer is rated 24,640 kva, with a
4 present peak load of 2,263 kva. The reserve capacity at
5 Sunny Hills is 22,377. The distribution line rating is
6 11,644 kva. If all the load were fed from either
7 substation, the maximum load would be 5,133 kva. Even if
8 all load were served only from the Vernon substation,
9 therefore, there would still be at least 6,417 kva in
10 substation reserve capacity and over 6,500 kva in line
11 reserve capacity. This reserve did not just happen. It
12 is the result of carefully prepared load projections and
13 well-executed growth plans. It is this prudent planning
14 that will allow Gulf Power to provide not just one, but
15 two reliable sources of electric power to the Washington
16 Correctional Institute site.

17

18 Q. Are you familiar with the transmission and distribution
19 facilities owned and/or operated by the Coop in the
20 vicinity of the disputed area?

21 A. Yes, I am, in general. The Cooperative operates a radial
22 distribution line from a substation located in northern
23 Bay County. The Coop's existing three-phase line runs
24 along the east side of Highway 77 to the Sunny Hills area
25 across the highway from Gulf's three phase line. Prior

1 to the construction last year giving rise to this
2 dispute, the Coop had no facilities in place which would
3 allow it to reach the point of service to the prison site
4 with the three phase service required by the Department
5 of Corrections.

6

7 Q. Why is Gulf Power more capable of providing reliable
8 electric service than is the Cooperative?

9 A. Very simply, because Gulf Power's existing three phase
10 line can be supplied from either end. In the event of
11 major damage, Gulf could switch the load, either
12 partially or in total, between the Vernon and Sunny Hills
13 substations in lieu of more time-consuming repair, and
14 reduce the duration of the customers' outage. In
15 contrast, the Coop only has a radially fed line. If
16 damage should occur between the Coop's single substation
17 and the point of service to the prison, the Coop would
18 have no choice other than to repair the line, no matter
19 how long the repair may take.

20

21 Q. What additional facilities did the Coop have to construct
22 to provide three phase electrical service to the new
23 correctional facility?

24 A. The Coop built a new three-phase line across Highway 77
25 (therefore crossing Gulf's existing lines), and ran it

1 parallel to Gulf Power's existing line for approximately
2 4,000 feet along the opposite side of Highway 279 from
3 Gulf's existing line. The Coop actually built new three
4 phase facilities for some distance down Highway 279
5 beyond the point necessary to reach the Department of
6 Corrections' point of service. The Coop then crossed
7 Gulf Power again in order to reach the service point to
8 the prison property.

9

10 Q. Did this construction result in duplication of Gulf
11 Power's existing facilities?

12 A. Yes. The Coop's line crosses Gulf Power's line twice and
13 runs parallel to Gulf's existing lines for approximately
14 1,600 feet to the prison site. The conductor used by the
15 Coop is much larger than needed to serve their existing
16 load even with the prison added. It is obvious that the
17 Coop is attempting to position themselves to extend
18 further along Highway 279. In contrast, as I have
19 testified, Gulf Power already has an existing three-phase
20 line adequate to serve this area for the foreseeable
21 future; moreover, unlike the Coop, Gulf has dual feed
22 capability to the site due to the prison's nearly
23 equidistant location from either Gulf Power's Sunny Hills
24 or Vernon substations.

25

1 Q. What additional cost would Gulf Power incur if it were to
2 provide service to the correctional institute?

3

4 A. Gulf's additional costs would be nominal, as the Company
5 would only have to tap its existing line for a "service
6 drop" onto the prison site. Gulf Power would not have to
7 construct the large capacity extension as did the Coop.
8 While Gulf's discovery requests to the Coop are still
9 pending and Gulf does not therefore have specific
10 information concerning the cost of the Coop's required
11 construction, it is clearly far in excess of that which
12 Gulf Power would have incurred in serving the site.

13

14 Q. As between Gulf Power and the Coop, has the Company
15 performed a comparison of the rates that would be charged
16 to the Department of Corrections for electric service to
17 the site?

18 A. Yes. While I did not perform this calculation, I have
19 reviewed the documents that were prepared and submitted
20 to the Department of Corrections when Gulf Power proposed
21 to provide service to the site. This comparison, which
22 is attached as Schedule 1 to my Exhibit, indicated that
23 the FDOC would pay at least \$20,000 more per year to the
24 Coop than if Gulf Power is awarded the right to serve the
25 site.

1 Q. How do you explain the fact that the customer selected
2 the Coop as the electric service provider, since you have
3 stated that Gulf Power could provide the service at a
4 lower initial cost to the Company and at lower rates to
5 the customer?

6 A. First, I want to emphasize that it is our understanding
7 that the actual customer (and ratepayer), the Florida
8 Department of Corrections, did not make this decision,
9 but deferred the choice to the Washington County Board of
10 County Commissioners. Even considering that the County
11 is not itself liable for paying for the electric service,
12 it is difficult to justify this decision. It is,
13 however, my understanding that the Coop provided the
14 County with a \$45,000 grant in connection with the
15 purchase of the land on which the prison is to be
16 located.

17
18 Q. In your opinion, what factors should influence the
19 Florida Public Service Commission's determination as to
20 which utility should serve the Washington Correctional
21 Facility?

22 A. The Commission should consider the cost to each utility,
23 the cost to the customer -- here, the Department of
24 Corrections, which will pay for the electric service with
25 taxpayers' money -- the duplication of existing

1 facilities and the relative reliability of each supplier.

2

3

4 Q. Why shouldn't the customer's choice of competing electric
5 service providers control the outcome of this case?

6 A. First, as I have previously stated, the customer (the
7 Department of Corrections) did not select the service
8 provider in this case. Second, the Commission's rules on
9 this issue clearly indicate that customer choice should
10 be considered only if all other factors are equal. In
11 this case, the other factors -- lower construction cost,
12 lower cost to the ratepayer, avoidance of unnecessary
13 duplication of facilities and superior ability to serve -
14 - should all weigh overwhelmingly in favor of Gulf Power.

15

16

17 Q. Does this conclude your testimony?

18 A. Yes.

200 East Hill Street
Post Office Box 2448
Panama City FL 32402
Telephone 904 785-4611

Florida Public Service Commission
Docket No. 930885-EU
GULF POWER COMPANY
Witness: W. C. Weinzitt
Exhibit No. _____ (WCW-1)
Schedule I
Page 1 of 5



the southern electric system

April 9, 1993

Mr. Marvin Moran
Florida Dept. of Corrections
2601 Blainstone Rd.
Tallahassee FL 32399-25500

Dear Mr. Moran:

After several telephone conversations between Brian Blair and my staff, Mr. Blair indicated future communications concerning the new Washington Co. correctional facility be addressed to you. According to Mr. Blair, the facility will be located at the northwest corner of Highway 77 and Highway 279 (Greenhead FL).

Gulf Power Company is pleased to submit the following proposal for electrical service for the new prison. It is Gulf's understanding this facility is similar to the Holmes correctional facility which is now being served by Gulf Power. In an effort to make realistic electrical recommendations for the Washington Co. prison, we have used actual metered data from the Holmes Co. facility. Since the two prisons are similar, our initial estimates (372 KW and 163,450 KWH/month) should be the most accurate information available.

The estimated monthly billing for electric service from Gulf Power is \$7,442.66; from Gulf Coast Electric it is estimated at \$9,361.58. The net result of receiving service from Gulf Power is our annual reduction of \$23,027.04 in the prison's electric bill (Attachment I).

The Washington Co. prison site is strategically located such that Gulf Power has facilities in place to provide independent alternate electrical service. Gulf's normal service will be from the Sunny Hills 115/25 KV substation. Backup power is available from Gulf's Vernon 115/25 KV substation. Since the prison site is between these substations, it is unlikely a single problem can render both inoperative. The substations are fed from multiple 115,000 volt transmission sources with the capability for switching operations, and these substations contain independent power transformers. The existing 25,000 volt distribution line between the two stations completes the system which can provide complete backup power to the prison. This electrical transmission and distribution system is similar to the one serving the Holmes correctional facility. I have enclosed an electrical single-line diagram for your review (Attachment II). Research through our computerized Distribution Trouble Reporting System shows that there have been only a few outages in the past two years (Attachment III).

"Our business is customer satisfaction"

Mr. Marvin Moran
Florida Dept. of Corrections
Pg. 2 - April 9, 1993

I hope that I have provided the information you need concerning Gulf Power's ability to provide reliable, low-cost electric service to the Washington Co. correctional facility. If you have additional questions, please do not hesitate to call me at 904-872-3201 or Stan Sexton at 904-872-3276.

Sincerely,

Vic L. Jones
General Manager of Eastern Division

VLJ:sd

Attachments

ATTACHMENT I

ESTIMATED ELECTRICAL LOAD
FOR PROPOSED STATE PRISON
IN WASHINGTON COUNTY

Based on conversations with Department of Corrections officials, estimates indicate that the proposed Washington County facility would use 372 KW demand and 163,450 KWH/month. It is also our understanding that primary service (12 KV) will be requested.

ESTIMATED MONTHLY BILL

Gulf Coast Electric Co-op

\$12.00 customer charge
\$4.00/KW demand charge
\$0.04950/KWH energy charge
\$0.00270/KWH fuel charge

Discount 7% of demand
charge for primary voltage
Discount 7% of energy charge
for primary voltage

TOTAL ESTIMATED MONTHLY BILL:

\$9,361.58

Gulf Power Company

\$40.35 customer charge
\$4.56/KW demand charge
\$0.01300/KWH energy charge
\$0.02243/KWH fuel charge
\$0.00015/KWH ECCR charge
\$0.00036/KWH PPCC charge

Discount 35¢/KW for primary
voltage
Discount 1% of demand charge
for primary voltage
Discount 1% of energy charge
for primary voltage

TOTAL ESTIMATED MONTHLY BILL:

\$7,442.66

\$9,361.58
-7,442.66

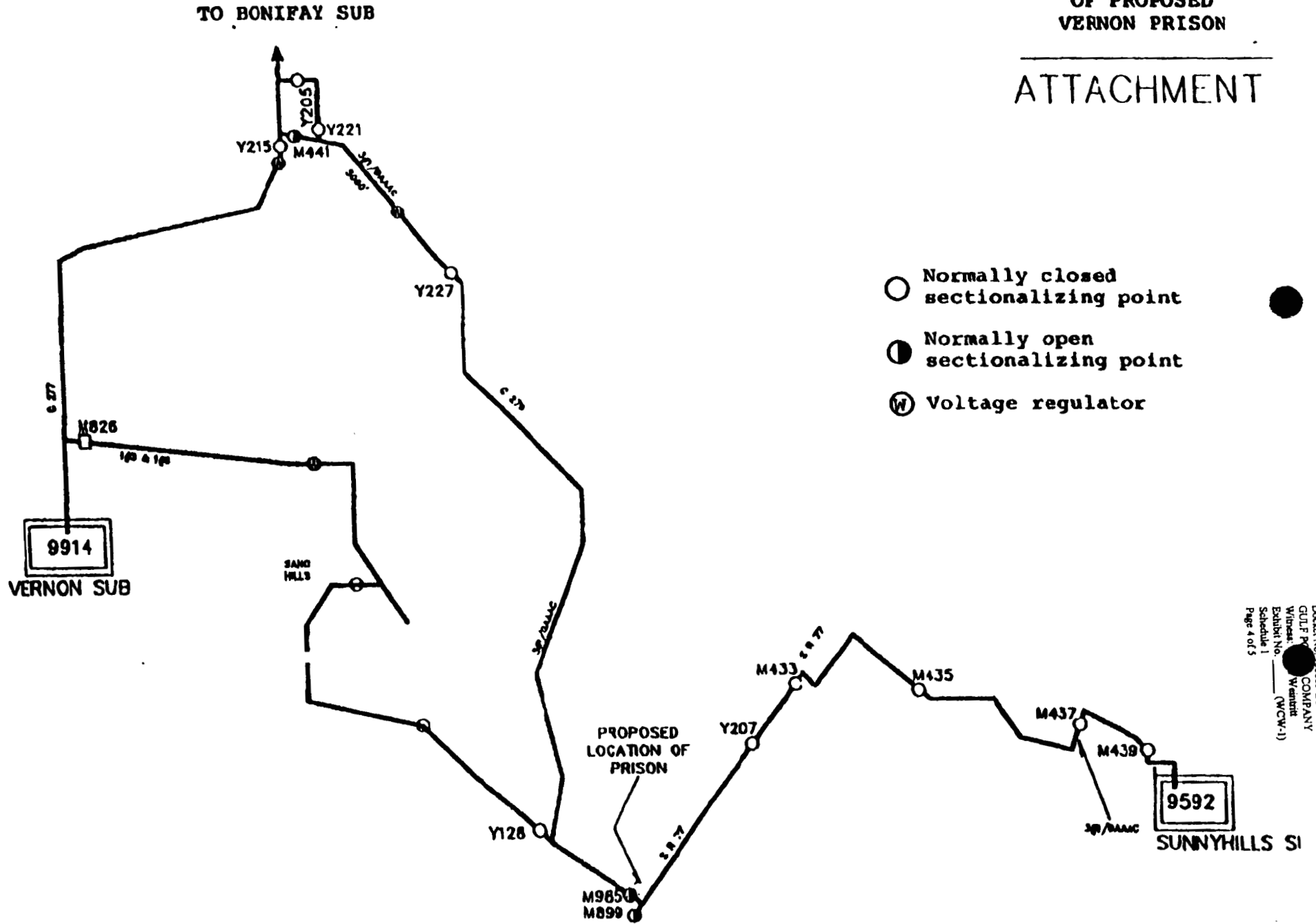
\$1,918.92 monthly difference
x 12 months

\$23,027.04 = yearly savings

Gulf Coast Electric Co-op's bill is 21% higher than Gulf Power Company's bill.

SINGLE-LINE DIAGRAM
OF PROPOSED
VERNON PRISON

ATTACHMENT



ATTACHMENT III

DISTRIBUTION TROUBLE REPORTING SYSTEM

| <u>Device</u> | <u>Date</u> | <u>Duration of Outage (Minutes)</u> | <u>Cause</u> |
|---------------|-----------------|---|--|
| Vernon | None since 1990 | N/A | N/A |
| Sunny Hills | 06/28/90 | 70 | Tree on line in wind storm |
| Sunny Hills | 08/06/91 | 45 | Lightning |
| Sunny Hills | 08/27/92 | 58 | Rain bands on edge of Hurricane Andrew |
| Sunny Hills | 02/22/93 | 79 | Lightning, reclosing device failed |
| Sunny Hills | 03/14/93 | 132 | The "Blizzard of 1993" |

Note that at no time were both Vernon and Sunny Hills out. The load between the stations can be transferred which limits the duration of any outage.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF BAY)

Docket No. 930885-EU

Before me the undersigned authority, personally appeared William C. Weintritt, who being first duly sworn, deposes, and says that he is the Power Delivery Manager of the Panama City District of Gulf Power Company, a Maine corporation, that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.

William C. Weintritt

William C. Weintritt
Power Delivery Manager

Sworn to and subscribed before me this 28th day of
April, 1994.

Karon Henson

Notary Public, State of Florida at Large



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to resolve)
territorial dispute with Gulf) Docket No.: 930885-EU
Coast Electrical Cooperative, Inc.) Served: March 10, 1994
by Gulf Power Company)
_____)


CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to the following by hand delivery or U.S. Mail this 10th day of March, 1994:

John H. Haswell, Esquire
Chandler, Lang & Haswell, P.A.
211 N.E. 1st Street
P.O. Box 23879
Gainesville, FL 32602

Martha Carter Brown, Esquire
Florida Public Service
Commission
101 East Gaines Street
Tallahassee, FL 32301

J. Patrick Floyd, Esquire
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