

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to Resolve )  
Territorial Dispute with Gulf )  
Coast Electric Cooperative, Inc. )  
by Gulf Power Company )

Docket No.: 930885-EU  
Served: Jan 14, 1994

Gulf Coast Electric Cooperative Inc.'s Response to Gulf  
Power Company's Motion to Limit Scope of Issues, etc., and for  
Enlargement of Time

Gulf Power Company has asked the Commission to either limit the issues in this case or to grant additional time to Gulf Power for additional rebuttal testimony. Gulf Coast Electric Cooperative, Inc. (Gulf Coast) agrees with the motion as to additional time and opposes limiting the issues.

At the issues conference with Commission staff on January 12, 1994, staff and the parties went through three separate lists of issues identified by them, and while the parties did not stipulate to a specific set of issues, the staff incorporated what it perceived to be the issues in a post-meeting set of issues numbered one through fifteen, a copy of which is attached to hereto. The staff made it clear to both parties that it left open the issue as to what the "disputed area" was, citing the Talquin/Havanna dispute (Docket Number 920214-EU) and the Commission's concern that resolving a dispute in a small geographic area would not necessarily eliminate uneconomic duplication of facilities in the general area where both the utilities serve. The maps submitted by the parties in answers to interrogatories and in direct testimony clearly show the potential for additional and continuing disputes between these two utilities in south

Washington County and in Bay County.

Gulf Power vigorously opposed any view of the disputed area outside of the correctional facility site. Notwithstanding that opposition, the Commission staff made it clear that that issue was still open. Consequently Gulf Coast would have been foolish not to include in its testimony discussion and evidence of the entire system of the two utilities in South Washington County and in Bay County Florida.

Gulf Power also objects to the historical purpose of cooperatives and their development over the years vis-a-vis investor owned utilities, yet Gulf Power cites Escambia River Electric Cooperative, Inc. vs. Florida Public Service Commission, 421 So. 2d 1384, (Fla. 1982), which does involve differences between investor owned utilities and cooperatives, and rest assured that Gulf Power will argue that the Escambia case means that Gulf Power should be awarded this territory. Those issues are therefore relevant and the Commission should not be restricted to determining what is in the best interest in Gulf Power's rate payers. It should also consider what is in the interest of Gulf Coast's rate payers.

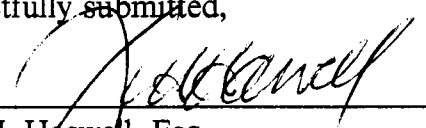
Issues 6, 7, 9, 10, 11, and 14, identified by staff, directed the testimony of Gulf Coast witnesses with respect to the "broad and substantive issues" raised by the Cooperative. Those issues do require a discussion of basic and fundamental policy issues regarding the police power of the state, rural development, density, load balancing, and fairness to all citizens of the state be they rate payers of investor owned utilities or coops.

Gulf Power has attached a affidavit of one Mr. Russell L. Klepper to its motion that

clearly establishes the need to address the testimony of Gulf Coast. Klepper refers to Gulf Coast's attempts for rate equity as "absurd". He also fails to address the fact that even though Gulf Power is alleged to have incurred all the transmission and generation costs to serve the West Florida area, Gulf Power nonetheless refused to provide retail electric service to the more expensive, rural, and less desirable areas, and was content to let Gulf Coast incur those costs. If we were to follow Klepper's (and Gulf Powers) logic to its conclusion, Gulf Power should then serve any area in the state of Florida where its rates are cheaper than any other utility.

Gulf Coast does also agree with Gulf Power that a half day or one day hearing will not be adequate to hear this case. Gulf Coast does therefore join Gulf Power in requesting additional time both to address any additional testimony offered by Gulf Power and Gulf Coast specifically requests that the Order Establishing Procedure be amended to provide for a two or three day hearing.

Respectfully submitted,



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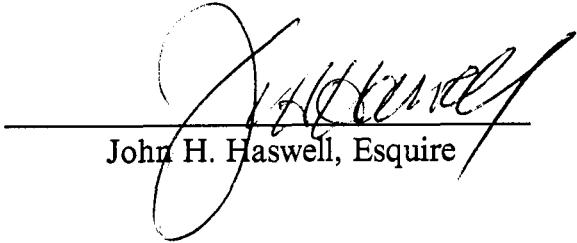
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**CERTIFICATE OF SERVICE**

I, the undersigned, hereby certify that a true and correct copy of the foregoing has been furnished to the following via fax and U.S. Mail this 21st day of June, 1994:

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**DOCKET NO. 930885-KU**

- ISSUE 1:** What is the geographical description of the disputed area?
- ISSUE 2:** What is the expected customer load, energy, and population growth in the disputed area?
- ISSUE 3:** Which utility has historically served the disputed area?
- ISSUE 4:** What is the location, purpose, type, and capacity of each utility's facilities existing prior to construction of facilities built specifically to serve the correctional facility?
- ISSUE 5:** What additional facilities would each party have to construct in order to provide service to the correctional facility?
- ISSUE 6:** Is each utility capable of providing adequate and reliable electric service to the disputed area?
- ISSUE 7:** Which party is capable of providing more reliable electric service to the correctional facility site?
- ISSUE 8:** What would be the cost to each utility to provide electric service to the correctional facility?
- ISSUE 9:** What would be the effect on each utility's ratepayers if it were not permitted to serve the correctional facility?
- ISSUE 10:** Which party is capable of providing electric service to the correctional facility site at the lowest rate to the Department of Corrections?
- ISSUE 11:** What is the customer preference for electric service to the correctional facility?
- ISSUE 12:** Does unnecessary and uneconomic duplication of electric facilities exist in the disputed area?
- ISSUE 13:** Do the parties have a formal territorial agreement that covers the disputed area?
- ISSUE 14:** Which party should be permitted to serve the disputed area? What conditions, if any, should accompany the Commission's decision?
- ISSUE 15:** Should this docket be closed?

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