

DOCKET 950495-WS
EXHIBIT NO. 67
CASE NO. 96-04227

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495 - WS
APPLICATION FOR A GENERAL RATE INCREASE

VOLUME I
BOOK 12 OF 22
MINIMUM FILING REQUIREMENTS
PREFILED DIRECT TESTIMONY

Containing
BRUCE E. GANGNON

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. _____ EXHIBIT NO. _____
COMPANY / WITNESS: _____
DATE: _____

DOCUMENT NUMBER-DATE
06023 JUN 28 1996
FPSC-RECORDS/REPORTING

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DIRECT TESTIMONY OF BRUCE E. GANGNON
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
ON BEHALF OF
SOUTHERN STATES UTILITIES, INC.
DOCKET NO. 950495-WS

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Bruce E. Gangnon. My business address is Minnesota Power,
3 30 West Superior Street, Duluth, Minnesota 55802.

4 Q. WHAT IS YOUR POSITION WITH MINNESOTA POWER?

5 A. I serve as accounting and tax consultant for Minnesota Power.

6 Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

7 A. I received a Bachelor's Degree in Accounting and Business Administration
8 from the University of Minnesota-Duluth in 1968. I received my
9 certificate as a Certified Public Accountant in 1972. In addition, I have
10 attended a number of schools, seminars, conferences, workshops and short
11 courses on various tax and accounting issues sponsored by various
12 professional associations, universities and accounting firms.

13 Q. HOW LONG HAVE YOU BEEN EMPLOYED IN THE UTILITY
14 INDUSTRY AND WHAT POSITIONS HAVE YOU HELD?

15 A. I have been employed in the following accounting management positions
16 by Minnesota Power since 1975. 1975-1977 Manager-Audit Tax; 1978-
17 1990 Manager-Taxes; 1991-May 1992 Director of Corporate Accounting;
18 May 1, 1992 to January 1995 Assistant Corporate Controller; and January
19 1, 1995 to present Accounting and Tax Consultant.

20 Q. TO WHAT TRADE AND/OR PROFESSIONAL ORGANIZATIONS
21 DO YOU BELONG?

22 A. I am a member of the Minnesota Society of Certified Public Accountants

1 and the Edison Electric Institute Taxation Committee.

2 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE A PUBLIC**
3 **UTILITIES COMMISSION?**

4 **A.** Yes. I have testified before the Florida Public Service Commission on
5 several occasions.

6 **Q. WHAT ARE YOUR RESPONSIBILITIES AS ACCOUNTING**
7 **AND TAX CONSULTANT?**

8 **A.** As Accounting and Tax Consultant, I am responsible for providing
9 technical support, training and development, and technical direction for the
10 tax, accounting systems and procedures, external and internal reporting
11 functions and accounting research for Minnesota Power, subsidiaries and
12 related entities.

13 **Q. PLEASE OUTLINE THE SCOPE OF YOUR TESTIMONY IN THIS**
14 **PROCEEDING.**

15 **A.** I will testify with respect to the Company's tax matters, in the cost of
16 service, and will sponsor Schedules C-1 through C-10 contained in
17 Volumes IV of the Minimum Filing Requirements ("MFRs") filed in this
18 case as Exhibit ___ (SWV-1). The information provided in these
19 schedules are sufficient to satisfy the MFRs.

20 **Q. WOULD YOU DESCRIBE THE PORTIONS OF THE SCHEDULES**
21 **IN THE TAX SECTION THAT YOU ARE SPONSORING WHICH**
22 **ARE OF PARTICULAR NOTE?**

1 A. Schedule C-1A shows the computation of the parent debt adjustment
2 shown on Schedule C-1. Schedule C-2A shows the detail of the
3 adjustments between the total per books and utility income. Schedule C-6
4 shows the detail of accumulated deferred income taxes by timing
5 difference. Schedule C-7 shows the detail of deferred ITCs.

6 **Q. DOES SOUTHERN STATES UTILITIES HAVE ANY FEDERAL**
7 **NET OPERATING LOSS CARRY FORWARD?**

8 A. No.

9 **Q. WERE ALL OF THE C SCHEDULES PREPARED BY YOU OR**
10 **UNDER YOUR DIRECTION AND/OR SUPERVISION?**

11 A. Yes, they were.

12 **Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?**

13 A. Yes, it does.