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

November 16, 1995

ORIGINAL
FILE COPY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. 950007-EI

ACK Enclosed for official filing in the above docket are an original and fifteen (15) copies of
AFA the following:

- 1. Prepared direct testimony and exhibit of S. D. Cranmer. 11/18/95
- 2. Prepared direct testimony and exhibit of J. O. Vick. 11/19/95

Sincerely,

Jack L. Haskins

lw

Enclosures

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FLORIDA PUBLIC SERVICE COMMISSION
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MAIL ROOM

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery)
Clause)

Docket No. 950007-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 10th day of November 1995 by U.S. Mail or hand delivery to the following:

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
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DOCKET NO. 950007-EI

PREPARED DIRECT TESTIMONY

OF

J. O. VICK

ENVIRONMENTAL COST RECOVERY CLAUSE

FINAL TRUE-UP
NOVEMBER 17, 1995


GULF POWER

DOCUMENT NUMBER-DATE

11499 NOV 17 95

#PSC-RECORDS/REPORTING

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission

3 Prepared Direct Testimony of

4 James O. Vick

Docket No. 950007-EI

Date of Filing: November 17, 1995

5 Q. Please state your name and business address.

6 A. My name is James O. Vick and my business address is 500 Bayfront Parkway,
7 Pensacola, Florida, 32501-0328.

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

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

11
12 Q. Mr. Vick, will you please describe your education and experience?

13 A. I graduated from Florida State University, Tallahassee, Florida in 1975 with a
14 Bachelor of Science Degree in Marine Biology. I also hold a Bachelor's Degree in
15 Civil Engineering from the University of South Florida in Tampa, Florida. In addition,
16 I have a Masters of Science Degree in Management from Troy State University,
17 Pensacola, Florida. I joined Gulf Power Company in August 1978 as an Associate
18 Engineer. I have since held various engineering positions such as Air Quality
19 Engineer and Senior Environmental Licensing Engineer. In 1989, I assumed my
20 present position as Supervisor of Environmental Affairs.

21
22 Q. What are your responsibilities with Gulf Power Company?

23 A. As Supervisor of Environmental Affairs, my primary responsibility is overseeing the
24 activities of the Environmental Affairs section to ensure the Company is, and
25 remains in, compliance with environmental laws and regulations, i.e., both existing

1 laws and such laws and regulations that may be enacted or amended in the future.
2 In performing this function, I have the responsibility for numerous environmental
3 programs and projects.
4

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

7 A. Yes.
8

9 Q. What is the purpose of your testimony in this proceeding?

10 A. The purpose of my testimony is to support Gulf Power Company's true-up period
11 ending September 30, 1995. In her testimony and schedules, Ms. Cranmer has
12 identified the carrying costs (including depreciation expense and dismantlement
13 costs) associated with environmental investment and the O&M expenses included in
14 the true-up period. I will discuss the primary reasons for variances between the
15 projected and actual costs.
16

17 Q. Please compare Gulf's environmental capital recoverable costs included in the true-
18 up calculation for the period April through September 1995 with the approved
19 project amounts.

20 A. As reflected in Ms. Cranmer's Schedule 6A, the recoverable capital costs included
21 in the true-up calculation total \$4,486,396, as compared to the estimated true-up
22 amount of \$4,518,671. This resulted in a variance of (\$32,275). The variances in
23 these projects/programs were not significant and do not require further detailed
24 explanation.
25

1 Q. How do Gulf's actual O&M expenses compare to the amounts included in the
2 estimated true-up?

3 A. Ms. Cranmer's Schedule 4A reflects that Gulf incurred a total of \$379,244 in
4 recoverable O&M expenses for the period as compared to the amount included in
5 the estimated true-up of \$1,495,644. This results in a variance of (\$516,400). I will
6 address the variances for eight O&M projects/programs.

7
8 Q. Please explain the variance in the Sulfur category (Line Item 1).

9 A. Expenses during the period totaled \$8,578 resulting in a variance of (\$15,422). This
10 variance was due to limited use of sulfur in the flue gas injection system during the
11 period.

12
13 Q. Please explain the variances in the General Air Quality and Emission Monitoring
14 categories (Line Items 2 and 3).

15 A. The Title V permitting process previously approved by this Commission has required
16 less resources than initially expected. This resulted in a variance of (\$99,912)
17 during the period. The variance of (\$14,781) in the Emission Monitoring category is
18 due to fewer Relative Accuracy Test Audits (RATA) being performed during the
19 recovery period.

20
21 Q. Please explain the variance of (\$177,809) in the General Water Quality (Line Item 4)
22 category.

23 A. This project encountered delays in the required Florida Department of
24 Environmental Protection (FDEP) approval process. The issues with FDEP have
25 since been resolved, and the project is now underway.

1 Q. Please explain the (\$152,292) variance in the Groundwater Monitoring Investigation
2 (Line Item 5).

3 A. Lengthy negotiations with FDEP have delayed certain remediation activities
4 associated with the project, resulting in the variance. These negotiations are on-
5 going, and a resolution is pending.

6
7 Q. Please explain the variance of (\$7,834) in the NPDES Administration program (Line
8 Item 6).

9 A. Delays in implementing the delegated federal NPDES program resulted in the State
10 of Florida having to pro-rate the NPDES Administration program fees. The
11 projected amounts were based on an estimate of annual program fees.

12
13 Q. Please explain the (\$58,793) variance in the Auditing/Assessment Program (Line
14 Item 7).

15 A. There were fewer audits/assessments performed during this period than originally
16 anticipated.

17
18 Q. Please explain the variance of \$10,534 in the General Solid and Hazardous Waste
19 Program.

20 A. The quantities of materials requiring disposal were greater than anticipated.

21
22 Q. Does this conclude your testimony?

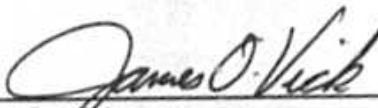
23 A. Yes.
24
25

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 950007-EI

Before me the undersigned authority, personally appeared James O. Vick, who being first duly sworn, deposes, and says that he is the Supervisor 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
Supervisor of Environmental Affairs

Sworn to and subscribed before me this 15th day of November, 1995.



Notary Public, State of Florida at Large

Commission Number:

Commission Expires:

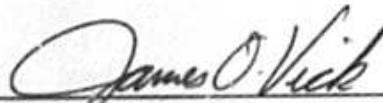


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STATE OF FLORIDA)
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James O. Vick
Supervisor of Environmental Affairs

Sworn to and subscribed before me this 15th day of November, 1995.



Notary Public, State of Florida at Large

Commission Number:

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