

Gulf Power Company
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**ORIGINAL
FILE COPY**

Susan D. Cranmer
Assistant Secretary and
Assistant Treasurer

the southern electric system

December 19, 1996

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. 930885-EU

Enclosed for official filing are an original and fifteen copies of Rebuttal Testimony from the following on behalf of Gulf Power Company:

1. Theodore S. Spangenberg, Jr. - 13581-96
2. Russell L. Klepper. - 13582-96
3. G. Edison Holland, Jr. - 13583-96
4. William C. Weintritt. - 13584-96
5. William F. Pope - 13585-96

12/20/96

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Sincerely,

Susan D. Cranmer

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to resolve)
territorial dispute with Gulf)
Coast Electric Cooperative, Inc.) Docket No. 930885-EU
by Gulf Power Company)
_____)

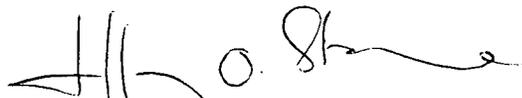
Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 19th day of December 1996 by U.S. Mail to the following:

Vicki Johnson, Esquire
Staff Counsel
FL Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0863

Patrick Floyd, Esquire
Gulf Coast Electric Coop.
408 Long Avenue
Port St. Joe FL 32456

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Pensacola FL 32576
904 432-2451
Attorneys for Gulf Power Company

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 930885-EU

PREPARED REBUTTAL TESTIMONY

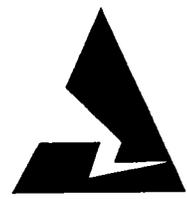
OF

THEODORE S. SPANGENBERG, JR

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DECEMBER 20, 1996

GULF POWER



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GULF POWER COMPANY

Before the Florida Public Service Commission
Rebuttal Testimony of
Theodore S. Spangenberg, Jr.
Docket No. 930885-EU
Date of Filing: December 20, 1996

Q. Please state your name, business address, and occupation.

A. My name is T. S. (Ted) Spangenberg, Jr. My business address is 500 Bayfront Parkway, Pensacola, Florida. I am employed by Gulf Power Company as their Residential Marketing Manager.

Q. Are you the same Ted Spangenberg that submitted direct testimony in this docket?

A. Yes, I am.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to address points raised in the direct testimony of Stephen Page Daniel and Archie W. Gordon, both of whom testified on behalf of Gulf Coast Electric Cooperative (GCEC) in this docket.

Q. What comments do you have with regard to the testimony of Stephen Page Daniel?

1 A. Throughout his direct testimony Mr. Daniel seems to
2 demonstrate a concern for the economics of providing
3 electric service to consumers. However, his endorsement
4 of Archie Gordon's territorial boundaries proposal
5 totally ignores some key elements of the cost and
6 economics of utility facilities expansion. Mr. Gordon's
7 proposal would cause additional costs when compared to
8 the method that I proposed in my direct testimony.

9
10 Q. How does Mr. Gordon's proposal cause those additional
11 costs?

12 A. The way he has chosen to locate the territorial
13 boundaries fails to fully recognize the character and
14 capability of existing facilities, thereby causing
15 unnecessary costs for facility expansion. A couple of
16 examples will best demonstrate this flaw in his
17 boundaries.

18 On map 2218-NW along Hwy 279 and near the north end
19 of the map, Mr. Gordon proposes to set the boundary
20 along the centerline of the highway based, supposedly,
21 on this serving as some sort of natural boundary.
22 Should a facility with 50 kW of 3-phase motor load
23 locate at a point immediately to the east of the
24 boundary, Mr. Gordon's proposal would not allow Gulf
25 Power Company to serve the load, although Gulf Power

1 would otherwise be able to serve it without constructing
2 any additional 3-phase primary line extensions.
3 Mr. Gordon's proposal would, instead, assign the load to
4 GCEC, although GCEC's nearest 3-phase feeder is in
5 excess of five miles away. Mr. Gordon's proposal would
6 cause significant additional dollars to be spent,
7 because he set the lines without any consideration for
8 existing capability. Any time you assign exclusive
9 territories based on the mere existence of facilities,
10 without regard to their character, these diseconomies
11 will occur. This example clearly shows that least cost
12 does not result, efficiencies are thwarted, and the best
13 interest of the public is not served.

14 One additional example will show the absurdity of
15 Mr. Gordon's proposal. Suppose a wood products
16 manufacturing facility with a total load of 200 kW
17 desired to locate at the northwest corner of map 2520.
18 Mr. Gordon's proposal would assign this customer to GCEC
19 and would likely require GCEC to add over three miles of
20 new 3-phase feeder from their existing feeder on Hwy 77.
21 On the other hand, my proposal would likely allow Gulf
22 Power to serve the customer, requiring only 500 feet or
23 so of feeder line from its Sunny Hills Substation.
24 Obviously, Mr. Gordon's proposal, because it assigns
25 exclusive territory on the basis of the current location

1 of single-phase lines, would cause significant
2 uneconomic duplication of Gulf Power's facilities,
3 clearly in violation of FPSC policy.

4 As is clearly demonstrated in this example,
5 Mr. Gordon's proposal fails to consider some very basic
6 cost issues that arise in the expansion of a
7 distribution system. Unlike my method, Mr. Gordon's
8 proposal very crudely constructs a set of boundaries
9 that conveniently and uneconomically reserves vast
10 amounts of essentially unserved areas for GCEC's
11 exclusive service and totally ignores the varying
12 capabilities of both Gulf Power's and GCEC's existing
13 facilities.

14

15 Q. Does this conclude your rebuttal testimony?

16 A. Yes, it does.

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AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 930885-EU

Before me the undersigned authority, personally appeared T. S. Spangenberg, Jr. who being first duly sworn, deposes, and says that he is the Residential Marketing Manager for 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.



T. S. Spangenberg, Jr.
Residential Marketing Manager

Sworn to and subscribed before me this 18th day of December,
1996.



Notary Public, State of Florida at Large



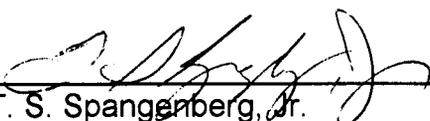
LINDA C. WEBB
Notary Public-State of FL
Comm. Exp: May 31, 1998
Comm. No: CC 362703

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 930885-EU

Before me the undersigned authority, personally appeared T. S. Spangenberg, Jr. who being first duly sworn, deposes, and says that he is the Residential Marketing Manager for 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.



T. S. Spangenberg, Jr.
Residential Marketing Manager

Sworn to and subscribed before me this 18th day of December

1996.



Notary Public, State of Florida at Large



LINDA C. WEBB
Notary Public-State of FL
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