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January 22, 1997

Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oaks Boulevard  
Tallahassee, Florida 32301

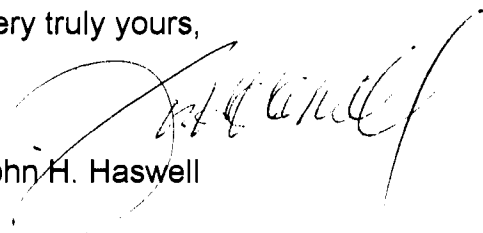
RE: Petition to Resolve Territorial Dispute with  
Gulf Coast Electric Cooperative, Inc.  
and Gulf Power Company  
FPSC Docket Number: 93-0885-EU

Dear Ms. Bayo:

I am enclosing herewith the original and fifteen (15) copies of Gulf Coast Electric Cooperative, Inc.'s Prehearing Statement for filing.

Please call me if you have any questions.

Very truly yours,

  
John H. Haswell

ACK \_\_\_\_\_

AFA \_\_\_\_\_ JHH/lez

APP \_\_\_\_\_ 1 Enclosures

CAF \_\_\_\_\_

CMU \_\_\_\_\_ cc: J. Patrick Floyd, Esquire  
Roy Barnes

CTR \_\_\_\_\_

EAG \_\_\_\_\_ 

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition to resolve territorial dispute ) Docket No. 930885-EU  
with Gulf Coast Electrical Cooperative, )  
Inc. by Gulf Power Company )  
\_\_\_\_\_)

**PREHEARING STATEMENT OF  
GULF COAST ELECTRIC COOPERATIVE, INC.**

Gulf Coast Electric Cooperative, Inc. ("Gulf Coast"), by and through its undersigned attorneys, files its Prehearing Statement as follows:

A. **WITNESSES:** The name of all known witnesses that may be called by the party and the subject matter of their testimony:

<i>Witness (Direct)</i>	<i>Subject Matter</i>	<i>Issues</i>
Archie W. Gordon	Gulf Coast position on the location of the territorial boundary between Gulf Power Company ("GPC") and Gulf Coast in South Washington County and Bay County; the design, planning, and location of Gulf Coast facilities, the number of customers, sales, and capacity of existing facilities, maps, the location of GPC's facilities, uneconomic duplication issues, factors for drawing boundaries, and generally matters related to issues 1 through 7.	1, 2, 3, 4, 5, 6 and 7
Stephen Page Daniel	Review the service area relationship between Gulf Coast's system and GPC's electric system; make a recommendation of how a territorial boundary should be established consistent with the Commission's orders to establish a territorial boundary in the areas of Bay and Washington Counties where the two systems are co-mingled or in close proximity and/or where further uneconomic duplications potentially could occur; and comment on the territorial boundary line defined by Gulf Coast.	3, 4, 5, 6 and 7

*Gulf Coast Rebuttal Witnesses*

Archie W. Gordon	To rebut the testimony of GPC witnesses Weintritt and Spangenberg.	1, 2, 3, 4, 5, 6 and 7
Stephen Page Daniel	To rebut the testimony of GPC witnesses Klepper, Holland, and Weintritt.	1, 2, 3, 4, 5, 6 and 7
William S. Dykes	To rebut the testimony of GPC witness Weintritt.	1, 2, 3, 4, 5, 6 and 7
Alex M. Cockey	To rebut the testimony of GPC witness Klepper.	2, 5, 6 and 7
David J. Hedberg	To rebut the testimony of GPC witnesses Klepper and Holland.	2, 5, 6 and 7

**B. EXHIBITS: Direct**

<i>Exhibit Number</i>	<i>Witness</i>	<i>Description</i>
_____(AWG-2)	Gordon	Facilities location for Bay County
_____(AWG-3)	Gordon	Detail maps showing GPC and Gulf Coast facilities Bay County
_____(AWG-4)	Gordon	Territorial boundary description for Bay County
_____(AWG-5)	Gordon	Facilities location map for Washington County
_____(AWG-6)	Gordon	Detail maps of Washington County showing facilities
_____(AWG-7)	Gordon	Territorial boundary description for Washington County
_____(AWG-8)	Gordon	Basic data response to Staff's request for information on customers, sales, demand, facilities, etc.
_____(SPD-2)	Daniel	Current resume of Stephen Page Daniel
_____(SPD-3)	Daniel	Analysis of consumer energy and demand growth and substation capacity - Gulf Coast
_____(SPD-4)	Daniel	Consumer energy and demand growth and substation capacity - GPC
_____(SPD-5)	Daniel	Substation capacity load and available capacity in disputed area - Gulf Coast
_____(SPD-6)	Daniel	Outage data - Gulf Coast

## Rebuttal

_____ (AWG-9)	Gordon	Town map 3-33 Southport
_____ (AWG-10)	Gordon	"As built" detail map 3-33, submarine cable crossing
_____ (AWG-11)	Gordon	Proposed location map - Bay County water project 1954
_____ (AWG-12)	Gordon	Shertzer letter dated January 23, 1964 - Bay County water project
_____ (AWG-13)	Gordon	Memo of April 29, 1970 from Archie Gordon to Arthur Day
_____ (AWG-14)	Gordon	Letter dated May 18, 1970 from Gordon to O'Dowd, Deltona Corporation
_____ (AWG-15)	Gordon	Letter dated August 4, 1970 from Roberts to Gordon
_____ (AWG-16)	Gordon	Letter dated August 28, 1970 from Gordon to Benton, Deltona Corporation Development
_____ (AWG-17)	Gordon	Five page composite exhibit regarding Gulf Coast's schedule AX/Roberts letter to Hinkley dated December 8, 1970
_____ (AWG-18)	Gordon	Record of construction map/Sunny Hills
_____ (AWG-19)	Gordon	Nine page memo regarding Gulf Power Company's new tariff dated December 2, 1971
_____ (WSD-1)	Dykes	Job description
_____ (WSD-2)	Dykes	Excerpt from map 2320
_____ (WSD-3)	Dykes	Letter dated December 1, 1993 from Collins to Dykes regarding utility permit with sketch of facility's location
_____ (WSD-4)	Dykes	Excerpt from map 2828 showing GPC crossing under Gulf Coast's lines
_____ (WSD-5)	Dykes	Excerpt from map 2633
_____ (WSD-6)	Dykes	Excerpt from map 2830NW
_____ (WSD-7)	Dykes	Excerpt from map 2633 regarding Sweetwater Village subdivision
_____ (WSD-8)	Dykes	Excerpt from map 2321/Deer Run ranchettes/Sunset Pines subdivision
_____ (WSD-9)	Dykes	Area coverage policy
_____ (WSD-10)	Dykes	Letter dated May 13, 1996 from Dykes to Weintritt
_____ (WSD-11)	Dykes	Excerpt from maps numbers 57 and 58 regarding Duma Jack Road/Pinehurst Road
_____ (WSD-12)	Dykes	Excerpt from map 2533/Big Buck Store

C. *GULF COAST'S BASIC POSITION*

Because Gulf Power Company and Gulf Coast were unable to mutually agree on the establishment of a territorial boundary in those areas of South Washington County and Bay County where their facilities are in close proximity, are co-mingled, cross, or where further uneconomic duplication may occur, that the Commission therefore implemented the second phase of its final order in this case, as clarified, for the purpose of establishing territorial boundaries between the two facilities in the aforesaid areas. Gulf Coast supports the Commission's directive and has submitted testimony and exhibits to assist the Commission in establishing such boundary. It is Gulf Coast's position that such a boundary is necessary, in the public interest, to prevent the uneconomic duplication of facilities of these two utilities, to avoid further territorial disputes between the two utilities and to allow Gulf Coast the opportunity to rationally and prudently plan the growth of its existing system in an area where its territorial integrity is preserved. It is further Gulf Coast's position that unless the Commission does draw a finite boundary in the aforesaid areas that the rate payers of Gulf Coast will continue to be subject to the predatory practices of Gulf Power in seeking to gain the loads of all future customers in the aforesaid areas thereby hindering Gulf Coast from opportunities to increase its density, load diversity, and to provide its customers with the lowest cost energy possible following reasonable and prudent utility practices. In addition, both utilities will continue to plan to serve the same areas. The "proposals" submitted by Gulf Power will simply guarantee further co-mingling, crossing, and uneconomic duplication of facilities. In addition, it is very clear from the pre-filed testimony of Gulf Power's witnesses that it believes territorial issues should be resolved by the filing of territorial dispute petitions instead of agreeing on a reasonable territorial boundary.

*D. GULF COAST'S POSITION ON EACH OF THE SEVEN COMMISSION IDENTIFIED ISSUES.*

Issue 1: What are the areas of South Washington and Bay Counties where the electric facilities of Gulf Power and Gulf Coast are co-mingled and in close proximity?

Gulf Coast: Those areas identified by Mr. Gordon in Exhibit AWG-3 and AWG-6 and on the following maps: Washington County - 2218NW, 2218NE, 2218SW, 2218SE, 2220, 2221, 2320, 2321, 2322, 2418, 2419, 2420, 2421, 2518, 2519, 2520, 2521, 2618, 2619, 2620, 2717, 2718, 2719, and 2720. Bay County - 2828NW, 2828NE, 2828SW, 2828SE, 2830NW, 2830NE, 2830SW, 2731, 2733, 2632, 2633, 2634, 2533, 2534, 2433, and 2639.

Issue 2: What are the areas in South Washington and Bay Counties where further uneconomic duplication of electric facilities is likely to occur?

Gulf Coast: Those areas identified on Exhibit AWG-3 and AWG-6, together with those areas depicted on Exhibits AWG-2 and AWG-5 where the facilities of the two utilities are clearly intermingled, in close proximity, or cross each other. Future uneconomic duplication of facilities of South Washington and Bay Counties are also likely to occur in the same areas as identified in Issue 1.

Issue 3: What is the expected customer load, energy, and population growth in the areas identified in response to Issues 1 and 2 above?

Gulf Coast: The expected customer load, energy, and population growth are as identified in Exhibit AWG-8, SPD-3, SPD-4 and SPD-5.

Issue 4: What is the location, type, and capacity of each utility's facilities in the areas identified in response to Issues 1 and 2 above?

Gulf Coast: In South Washington County: Gulf Coast customers in the identified areas of South Washington County are served primarily by the Crystal Lake subdivision which is located on the east side of State Road 77 near the Bay/Washington County line. This substation is 7,500kva, 115kv to 25kv. South Washington County distribution facilities are served off of the substation circuit at 25kv (preferred service) with backup service available from the north circuit of the Southport substation in Bay County.

In Bay County: Gulf Coast customers in the identified areas of Bay County are served by the following substations; Bayou George South 8,000kva, 46kv to 25kv; Bayou George North 10,000kva, 115kv to 25kv; Fountain 7,500kva, 115kv to 25kv; Southport 15,000kva, 115kv to 25kv.

Bay and South Washington County distribution facilities are served off of the following main distribution feeders from the substations at 25kv (preferred and/or backup service) from a flexible switching distribution system.

Issue 5: Is each utility capable of providing adequate and reliable electric service to the areas identified in response to Issues 1 and 2 above?

Gulf Coast: Yes, both Gulf Power and Gulf Coast are capable of providing adequate and reliable service to all areas of South Washington and Bay Counties. Notwithstanding Gulf Power's claims that its distribution reliability is much better than Gulf Coast's, the reliability of Gulf Coast's system is just as reliable as Gulf Power's.

Issue 6: How should the Commission establish the territorial boundary between Gulf Power and Gulf Coast in South Washington and Bay Counties where the electric facilities are co-mingled, and in close proximity and further uneconomic duplication of facilities is likely to occur?

Gulf Coast: The Commission should examine the maps furnished to it by the two utilities which includes the location, type and capacity of each utility's facilities, as well as the detail maps submitted showing the location of each utility's facilities with respect to each other. A territorial boundary should then be drawn between the two utilities in such a manner that further co-mingling, crossing, construction of facilities in close proximity, and where further uneconomic duplication is likely, will be avoided. The methodology is that as submitted by Mr. Gordon in his direct testimony and supported by Mr. Daniel, regarding the criteria to use.

Issue 7: Where should the territorial boundary be established?

Gulf Coast: The territorial boundary should be established as described in Mr. Gordon's direct testimony and as detailed on Exhibit AWG-4 and AWG-7.

*E. A STATEMENT OF EACH QUESTION OF LAW THE PARTY CONSIDERS AT ISSUE:*

None known to Gulf Coast at this time.

*F. A STATEMENT OF EACH POLICY QUESTION THE PARTY CONSIDERS AT ISSUE:*

None known to Gulf Coast at this time.

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G. A STATEMENT OF ISSUES THAT HAVE BEEN STIPULATED TO BY THE PARTIES:

None as of this date.


H. A STATEMENT OF ALL PENDING MOTIONS OR OTHER MATTERS THE PARTY SEEKS ACTION UPON:

Two pending motions of Gulf Coast, one to compel discovery by Gulf Power and one to strike the testimony of certain of Gulf Power's witnesses as being irrelevant and immaterial.

I. A STATEMENT AS TO ANY REQUIREMENTS SET FORTH IN THIS ORDER THAT CANNOT BE COMPLIED WITH:

None known at this time; however, if the Commission allows Gulf Power to raise additional issues, if the resolution of the foregoing seven (7) issues raises additional issues that are not adequately addressed, or that Gulf Coast has not had an opportunity to adequately respond to, or if as a result of preparation and filing of the additional maps and data requested by the Commission's Staff, which have yet to be filed raise additional questions and warrant additional discovery, then Gulf Coast would respectfully request additional time to submit additional exhibits and testimony to address any such issues, maps, data and information.

Respectfully submitted this 23 day of January, 1997.

  
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Attorneys for Gulf Coast  
Electric Cooperative, Inc.



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by ~~regular U.S. mail~~ to the following:

*hand delivery JH*

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Jeffrey A. Stone, Esquire  
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Vicki Johnson, Esquire  
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Tallahassee, Florida 32399-0850

this 23 day of January, 1997.

  
\_\_\_\_\_  
John H. Haswell