

One Energy Place
Pensacola, Florida 32520

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April 27, 2001

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. 000808-EI

Enclosed are an original and fifteen copies of the rebuttal testimony of Susan D. Ritenour and James O. Vick to be filed in the above docket.

Sincerely,

Susan D. Ritenour

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

Enclosures

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

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Ritenour
DOCUMENT NUMBER-DATE

05314 APR 30 06

FPSC-RECORDS/REPORTING

Vick
DOCUMENT NUMBER-DATE

05315 APR 30 06

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for approval of Consumptive)
Water Use Monitoring Activity and Smith)
Wetlands Mitigation Plan as New Programs) Docket No. 000808-EI
for cost recovery through the Environmental)
Cost Recovery Clause by Gulf Power Company)
_____)

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 27th day of April 2001 on the following:

Marlene Stern, Esquire
FL Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0863

Robert D. Vandiver, Esquire
Office of Public Counsel
111 W. Madison St., Suite 812
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Pensacola FL 32576
(850) 432-2451
Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

SMITH WETLANDS MITIGATION PLAN

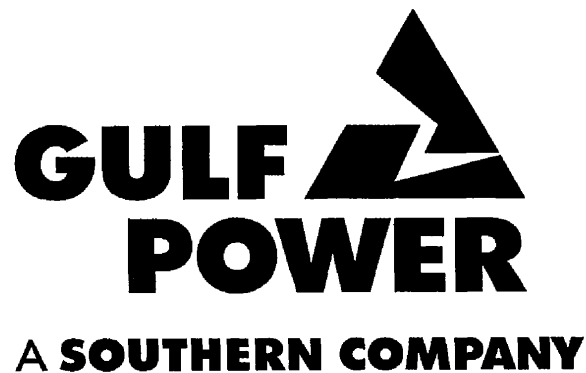
DOCKET NO. 000808-EI

PREPARED REBUTTAL TESTIMONY

OF

JAMES O. VICK

APRIL 30, 2001



DOCUMENT NUMBER-DATE
05315 APR 30 2001
FPSC RECORDS/REPORTING

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission
3 Prepared Rebuttal Testimony of
4 James O. Vick
5 Docket No. 000808-EI
6 April 30, 2001

1 Q. Please state your name and business address.

2 A. My name is James O. Vick and my business address is One Energy Place,
3 Pensacola, Florida, 32520.

4

5 Q. Are you the same James O. Vick who has filed direct testimony in this
6 proceeding?

7 A. Yes, I am.

8

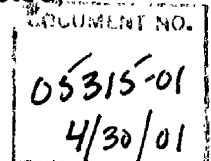
9 Q. Mr. Vick, what is the purpose of your rebuttal testimony?

10 A. The purpose of my testimony is to respond to the Testimony of Kimberly H.
11 Dismukes on Behalf of the Florida Office of the Public Counsel, filed with the
12 Florida Public Service Commission on March 30, 2001.

13

14 Q. Mr. Vick, do you agree with Ms. Dismukes statement that the costs of the
15 Smith Wetlands Mitigation Plan (SWMP) should be considered construction
16 costs rather than compliance related costs?

17 A. No, I do not. The cost of the SWMP is a result of Gulf's compliance with the
18 environmental requirements necessary to utilize existing Gulf Power property.
19 The SWMP is a requirement under the Smith Unit 3 Conditions of
20 Certification. The Conditions of Certification clearly stipulate all of the
21 environmental requirements under which the unit must be constructed.



1 operated, and maintained in order to be “in compliance” with the Site
2 Certification. The Conditions contain the standard requirements of the
3 various regulatory programs of the agencies and may incorporate additional
4 compliance requirements as imposed by the governing agency. The SWMP
5 is necessary for Gulf’s compliance with the United States Army Corps of
6 Engineers (COE) wetland permit.

7 Gulf Power agreed to this version of the SWMP with FDEP following
8 lengthy verbal negotiations regarding the minimum mitigation that would be
9 allowed. Since there are no formal rules governing mitigation ratios,
10 mitigation plans are established by guidelines, precedent, and the discretion
11 of the agencies involved. In early conversations with FDEP, the agency had
12 initially proposed mitigation ratios of 99:1. At that time, Gulf countered with
13 an offer to mitigate 6 acres of wetlands for every acre that would be impacted
14 for Smith Unit 3. The ratios that were ultimately incorporated into the SWMP
15 were negotiated based on the quantity and quality of wetlands being
16 impacted as well as the quantity and quality of wetlands being offered for
17 mitigation. The mitigation ratios included in the SWMP are at the very lowest
18 end of what FDEP or COE would allow for compliance. In addition, the
19 particulars of the SWMP were determined through an extensive collaborative
20 effort between Gulf Power, the Florida Department of Environmental
21 Protection (FDEP) and the COE based upon their respective jurisdiction over
22 the wetlands located on the Smith site.

23
24 Q. Mr. Vick, was the requirement that Gulf mitigate the wetlands that it used to
25 site Smith Unit 3 a new requirement not known by Gulf at the time it decided
26 to build Unit 3?

27 A. The requirement to comply with governmentally imposed environmental
28 regulations pertaining to wetlands mitigation was enacted after Gulf’s last rate
29 case test year. Therefore, it is a new environmental requirement that must be

1 complied with in order for Gulf to utilize property the Company already owned
2 at Plant Lansing Smith.

3 The need to locate the new generation at Lansing Smith is clearly
4 established in Gulf Power's Petition for Determination of Need of Lansing
5 Smith Unit 3, approved by the FPSC on August 2, 1999. Although the 1300-
6 acre Gulf property contains some areas with more upland habitats, the
7 general site composition is roughly a 50-50 mix of wetlands/uplands. Placing
8 Smith Unit 3 further from its present location would have caused the same if
9 not more wetland impacts due to the numerous additional linear facility
10 interconnections that would be required to locate the new unit elsewhere on
11 the site. Additional linear facilities include transmission interconnections as
12 well as other associated infrastructure. Although Gulf recognized the
13 potential for wetland impacts, it was not known to what extent FDEP or COE
14 would claim jurisdiction, if at all. The proposed site was previously owned by
15 St. Joseph Land and Development Company and had been utilized over the
16 years for planted pine silviculture. The extent of potential wetland impacts or
17 need for compensatory mitigation was not known by Gulf at the time it was
18 decided to build Smith Unit 3.

19

20 Q. Does this conclude your testimony?

21 A. Yes.

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 000808-EI

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

Sworn to and subscribed before me this 27th day of April, 2001.

Rollanda Cothran
Notary Public, State of Florida at Large

Commission Number:

Commission Expires:

