

M E M O R A N D U M

AUGUST 22, 2001

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: DIVISION OF LEGAL SERVICES (M. STERN) MKS RVE

RE: DOCKET NO. 01441-EU - PETITION TO RESOLVE TERRITORIAL DISPUTE WITH GULF POWER COMPANY IN WASHINGTON COUNTY BY WEST FLORIDA ELECTRIC COOPERATIVE ASSOCIATION, INC.

Attached is the CERTIFICATE OF SERVICE on STAFF'S PREHEARING STATEMENT to be filed in the above-referenced docket.

MKS/jb

cc: Division of Safety and Electric Reliability
Division of Economic Regulation

I:010441ps.mks

DOCUMENT NUMBER-DATE

10384 AUG 22 01

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to resolve territorial dispute with Gulf Power Company in Washington County by West Florida Electric Cooperative Association, Inc.

DOCKET NO. 010441-EU

FILED: AUGUST 22, 2001

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-PSC-01-1354.PCO-EU, filed June 20, 2001, and Order No. PSC-01-1476-PCO-EU, filed July 13, 2001, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

Staff has no witnesses.

b. All Known Exhibits

Staff has no exhibits.

c. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

d. Staff's Position on the Issues

ISSUE 1: What are the boundaries of the service area that is the subject of this territorial dispute?

POSITION: No position at this time pending review of rebuttal testimony and discovery.

ISSUE 2: What conditions have caused the dispute?

POSITION: No position at this time pending review of rebuttal testimony and discovery.

ISSUE 3: What is the existing and planned load to be served in the disputed area?

POSITION: No position at this time pending review of rebuttal testimony and discovery.

ISSUE 4: What is the estimated cost for electric utility facilities to adequately and reliably serve the planned load in the disputed area?

POSITION: The estimated cost of \$6 million for electric utility facilities is approximately the same for either utility to provide service. This amount includes a 230KV switching station, approximately 6 miles of 230 KV transmission cable and poles from the new switching station to a new substation located at Station 13A, a new substation at Station 13A, land purchases, and two transformers.

ISSUE 5: Are the planned electrical facility additions and other utility services to be provided within the disputed area reasonably expected to cause a decline in the reliability of service to existing and future utility customers?

POSITION: No. The planned electrical facility additions and other utility services are not expected to cause a decline in the reliability to existing and future customers of either West Florida Electric Cooperative, Inc. or Gulf Power Company.

ISSUE 6: What is the nature of the disputed area with respect to its population, the type of utilities seeking to serve it, degree of urbanization, proximity to other urban areas, and the present and reasonably foreseeable future requirements of the area for other utility services?

POSITION: The nature of the disputed area is rural as defined by Section 425.03(1), Florida Statutes. Retail service to a new industrial load at Station 13A is the only present and reasonably foreseeable future requirement of the area in dispute. The general vicinity is expected to remain rural with slow residential and agricultural load growth. Station 13A is approximately 9 miles from Vernon, 12 miles from Bonifay, 10 miles from Caryville, and 18 miles from Chipley.

ISSUE 7: What utility does the customer prefer to serve the disputed area?

POSITION: The customer, Enron Compression Services, prefers retail service from Gulf Power Company.

ISSUE 8: Will the actions of either West Florida or Gulf cause uneconomic duplication of electric facilities with regard to serving the load in the disputed area?

POSITION: The actions of either West Florida or Gulf will not cause uneconomic duplication of electric facilities with regard to serving the new retail load at Station 13A.

ISSUE 9: Does West Florida have the right of access, through its wholesale power provider or otherwise, to the same transmission facilities that Gulf proposes to tie into to provide service to the disputed area?

POSITION: Yes. Gulf does not have exclusive access to the existing electric transmission system necessary to serve the new retail load at Station 13A.

ISSUE 10: What effect, if any, would the formation of a Southeastern Regional Transmission Organization, as is currently under consideration before the Federal Energy Regulatory Commission, have on the resolution of this dispute?

POSITION: No position at this time.

ISSUE 11: Which utility should be awarded the service area in dispute?

POSITION: No position at this time.

e. Pending Motions

Staff has no pending motions.

f. Pending Confidentiality Claims or Requests

There are no pending confidentiality claims or requests.

g. Compliance with Order No. PSC-01-1354-PCO-EU and Order No. PSC-01-1476-PCO-EU

Staff has complied with all requirements of the Order Establishing Procedure and the Order modifying the Order Establishing Procedure entered in this docket.

Respectfully submitted this 22nd day of August, 2001.

Marlene K. Stern

MARLENE K. STERN

Staff Counsel

FLORIDA PUBLIC SERVICE COMMISSION

2540 Shumard Oak Boulevard

Gerald L. Gunter Building - Room 370

Tallahassee, Florida 32399-0863

(850)413-6230

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to resolve territorial dispute with Gulf Power Company in Washington County by West Florida Electric Cooperative Association, Inc.

DOCKET NO. 010441-EU

FILED: AUGUST 22, 2001

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that one true and correct copy of STAFF'S PREHEARING STATEMENT has been furnished by U.S. Mail this 22nd day of August, 2001, to the following:

Chandler, Lang & Haswell Law Firm
John Haswell
P.O. Box 23879
Gainesville, FL 32602-3879

Gulf Power Company
Ms. Susan D. Ritenour
One Energy Place
Pensacola, FL 32520-0780

Florida Electric Cooperative Assoc.
Michelle Hershel
2916 Apalachee Parkway
Tallahassee, FL 32301

West Florida Electric Cooperative Association, Inc.
Mr. William S. Rimes
P. O. Box 127
Graceville, FL 32440-0127

Marlene K. Stern

MARLENE K. STERN
Staff Counsel
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Boulevard
Gerald L. Gunter Building - Room 370
Tallahassee, Florida 32399-0863
(850)413-6230