

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO. 070299-EI**

**REBUTTAL TESTIMONY AND EXHIBIT OF  
ALAN G. MCDANIEL**

September 14, 2007



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GULF POWER COMPANY  
Before the Florida Public Service Commission  
Rebuttal Testimony of  
Alan G. McDaniel  
Docket No. 070299-EI  
In Support of Gulf Power Company's Storm Hardening Plan  
Date of Filing: September 14, 2007

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

A. My name is Alan McDaniel, and my business address is One Energy Place, Pensacola, Florida 32520. I am the Project Services Manager of Power Delivery for Gulf Power Company. I am responsible for joint use and third-party attachments, skills development for engineering and construction and engineering and design of large distribution conversion projects, along with the preparation and implementation of Gulf Power Company's storm restoration plan.

Q. Are you the same Alan G. McDaniel who provided direct testimony on Gulf Power's behalf in this docket?

A. Yes.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my testimony is to respond to certain issues raised in the testimony of Michael T. Harrelson, submitted on behalf of Florida Cable Telecommunications Association, Inc. ("FCTA") on September 7, 2007.

1 Q. Have you prepared an exhibit that contains information to which you will  
2 refer in your testimony?

3 A. Yes. A timeline of Gulf and FCTA's involvement in the development and  
4 amendment of Gulf's Plan has been prepared as an exhibit that contains  
5 information to which I will refer. It consists of one schedule that was  
6 prepared under my supervision and direction.

7 Counsel: We ask that Mr. McDaniel's Exhibit AGM-1,  
8 consisting of one schedule, be marked for identification as  
9 Exhibit No. \_\_\_\_.

10

11 Q. Will you summarize the portions of Mr. Harrelson's testimony which you  
12 intend to rebut?

13 A. Yes. I intend to address the following areas of Mr. Harrelson's testimony:  
14 (1) Gulf's incorporation of FCTA input into Gulf's Storm Hardening Plan  
15 (the "Plan"); (2) the overlapping notification requirements in Gulf's Plan;  
16 (3) Gulf's deployment of Grade B construction; and (4) the costs to FCTA  
17 member operators resulting from Gulf's Plan.

18

19 Q. As a preliminary matter, do the FCTA member operators have any  
20 attachments to Gulf's poles?

21 A. Yes. The FCTA member operators who have attachments to Gulf's poles,  
22 and their number of attachments as of the most recent field count are as  
23 follows:

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1	Cox Communications	71,374
2	Comcast	23,032
3	Brighthouse Networks	15,757
4	Mediacom	18,637

5 Gulf has pole attachment contracts with each of these entities.

6 These contracts are not mentioned in Mr. Harrelson's testimony, nor does  
7 Mr. Harrelson mention any of the cable operators in Gulf's service area by  
8 name.

9

10 **FCTA Input**

11

12 Q. Did Gulf seek input on its Plan from the FCTA and its member operators?

13 A. Yes. Gulf sought input on the Plan both before and after the original  
14 submission on May 7, 2007. Please see Schedule 1 of my exhibit.

15

16 Q. Did Gulf attempt in good faith to accommodate the concerns raised by  
17 FCTA?

18 A. Yes. The version of Gulf's Plan filed on May 7, 2007, reflected changes  
19 made based on specific issues raised by FCTA in connection with Gulf's  
20 proposed overloading process. The Amended Plan filed on August 14,  
21 2007 reflected further revisions in response to concerns raised by FCTA.

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1 Q. On page 42 of his direct testimony, Mr. Harrelson testifies that "FCTA  
2 members have not yet had an opportunity to provide feedback on Gulf's  
3 amended plan." Do you have any comments on this?

4 A. Yes. There were two significant changes in the Amended Plan. First,  
5 Gulf proposed to move from Grade C to Grade B as its standard for  
6 construction. Second, Gulf removed most of its third-party attachment  
7 standards and procedures from the Plan. Even though Gulf did not  
8 submit the Amended Plan until August 14, 2007, Gulf advised FCTA well  
9 in advance of its plans to move to Grade B construction. On or about July  
10 23, Gulf advised FCTA of this fact, shortly after the first FPSC Staff  
11 workshop in mid-July 2007. The removal of Gulf's third-party attachment  
12 standards and procedures from the Plan was a direct result of concerns  
13 raised by FCTA during our discussions.

14  
15 Q. What concerns did FCTA raise with respect to Gulf's third-party  
16 attachment standards and procedures?

17 A. FCTA expressed the view that many of the standards and procedures  
18 were not hardening related, were outside the jurisdiction of the  
19 Commission, and should not be a part of the Plan.

20  
21 Q. Did Gulf agree with FCTA on these points?

22 A. We agreed that many of the standards and procedures were not, in fact,  
23 specifically hardening related. Gulf included all of its third-party  
24 attachment standards and procedures in the original Plan because we  
25 initially interpreted Rule 25-06.0342(5) as requiring us to do so. While we

1 do not agree with FCTA's "jurisdictional" arguments, we agreed it was in  
2 the best interest of all parties involved to remove the vast majority of the  
3 third-party attachment standards and procedures from the Plan. The  
4 Amended Plan, filed August 14, 2007, reflects this change.

5  
6 Q. Did Gulf share information with the cable operators during these  
7 discussions?

8 A. Yes. Among other things, we shared our anticipated costs, the locations  
9 where we intended to perform pole strength and loading analyses, as well  
10 as the identity of our pole strength and loading contractor and the process  
11 for performing the loading analysis.

12  
13 Q. Did the FCTA cable operators share any information with Gulf?

14 A. They mainly asked Gulf to make changes to its processes. They did not  
15 share information about their buildout or expansion plans.

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17 **Overlapping**

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19 Q. In Gulf's discussions with FCTA, were there any specific discussions  
20 relating to the overlapping policy in Gulf's Plan?

21 A. Yes. In our face to face meetings and telephone conferences with FCTA,  
22 overlapping was a significant topic of discussion.

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1 Q. During those discussions, what concerns did FCTA raise with respect to  
2 the overlashing policy in Gulf's Plan?

3 A. Prior to our submission of the original Plan on May 7, 2007, Mark  
4 O'Ceallaigh from Cox Communications noted that the draft overlashing  
5 policy did not include a notification point to advise the cable operator  
6 when the loading analysis was completed. In response to this concern,  
7 Gulf added a notification point in its Attachment Permit & Overlashing  
8 Notification Procedure attached as Appendix 4 to the Plan. In a later  
9 discussion, FCTA asked whether the prior notice period could be reduced  
10 from the 30 days set forth in Gulf's overlashing policy. Our response was  
11 that we were willing to address this issue on a going-forward basis, but  
12 that since this was a new process for us, we did not want to commit to a  
13 shorter time period that Gulf or its contractor might not be able to meet.  
14 Later in the discussions, FCTA member operators asked whether they  
15 could work directly with Gulf's pole strength and loading contractor, Alpine  
16 Communications, on overlashing notifications and loading analyses.  
17 Gulf's response to this issue was that we were open to considering such a  
18 procedure in the future after gaining experience and a working knowledge  
19 with the new process and the new contractor. After our last conversation  
20 with FCTA, I had the impression that FCTA would not be objecting to the  
21 overlashing policy in its entirety. In fact, none of the cable operators  
22 indicated in any of our conversations that they could not accept some  
23 form of a prior notice requirement (which is the position they now appear  
24 to take through Mr. Harrelson). Mr. Mark O'Ceallaigh of Cox  
25 Communications even said in one of the conversations about Gulf's new

1 overlashing processes, "I understand why you are doing it." FCTA's  
2 objection to prior notice of overlashing has appeared only in their written  
3 submissions to the Commission – not in Gulf's conversations with FCTA  
4 and its member operators pursuant to our efforts to solicit genuine input  
5 on the Plan.

6  
7 Q. What is the purpose of the new requirement that third-party attachers  
8 provide advance notice of overlashing?

9 A. The new overlashing notification requirement allows Gulf to perform a  
10 pole strength and loading analysis prior to a new burden being placed on  
11 the pole or pole line. Overlashing is a relatively new process in Gulf's  
12 service area. As the number of third-party attachments continues to  
13 increase and the potential for greater load on each pole has become more  
14 prevalent, Gulf is taking a proactive approach to managing its  
15 infrastructure, and a key component in the oversight process is knowing  
16 when additional loads are placed on a pole so the proper engineering  
17 analysis can be performed.

18  
19 Q. What is the purpose of the pole strength and loading analysis on new  
20 attachments and new overlashing?

21 A. The pole strength and loading analysis Gulf proposes for new  
22 attachments and overlashing is an extension of the policy embedded in  
23 the Ten-Part Storm Preparedness Plan. This analysis for new  
24 attachments and overlashing will provide Gulf with data, on a going-  
25 forward basis, on whether and to what extent third-party attachments

1 impact the loading of any particular pole or pole line. If the pole strength  
2 and loading analysis reveals that the pole or pole line is not strong enough  
3 to support the proposed attachment (or overlashing, as the case may be)  
4 at Grade B construction standard, Gulf will require "make ready" prior to  
5 the new burden being added to the pole or pole line.

6  
7 Q. In Mr. Harrelson's testimony, he takes the position that overlashing – and  
8 third-party attachments in general – have a negligible impact on pole  
9 loading as compared to electric lines and facilities. What is your opinion  
10 of this statement?

11 A. I agree that electric lines and facilities are a greater load on the pole than  
12 third-party attachments or overlashing; however, Mr. Harrelson's  
13 testimony fails to recognize the key point. The pole line was engineered  
14 in the first instance to handle Gulf's facilities, and Gulf always knows when  
15 it adds equipment on the pole and whether the pole can handle the  
16 additional load. The same is not true for third-party attachments and  
17 overlashings. For this reason, Gulf needs to know when a third party  
18 intends to place a new burden on the pole. Mr. Harrelson also testifies at  
19 page 23, lines 14 and 15: "It is well known that third-party attachments do  
20 not create the greatest weight or load burden on the pole." While this is  
21 generally true, third-party attachments do account for the greatest un-  
22 engineered weight and load burden on Gulf's poles.

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1 Q. On pages 34 and 35 of his testimony, Mr. Harrelson proposes a “30 days  
2 after the fact” loading analysis for overlashing. Do you see any problems  
3 with this proposal?

4 A. Yes. Gulf has serious concerns about whether we would ever actually  
5 receive notice from the cable operators with an “after the fact” notice  
6 requirement. I say this because there is no incentive for FCTA or its  
7 member operators to self-report overload, as it may create costs for  
8 upgrading the poles to support the load. Even assuming Gulf would  
9 receive notice of overlashing, an “after the fact” requirement would allow  
10 un-engineered loads to be placed on poles that might subsequently fail  
11 due to weight and wind factors, and it invites violation. If Gulf is going to  
12 incorporate a loading analysis at all into the process, it needs to occur  
13 before (not after) the new burden is placed on the pole.

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15 **Grade B Construction Deployment**

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17 Q. Does Gulf, as part of its Plan, intend to perform a loading analysis on a  
18 sampling of poles most likely to be overloaded?

19 A. Yes. Based on Gulf’s 2006 pole audit data, we are able to identify poles  
20 20 years or older with three or more third-party attachments. Gulf intends  
21 to perform pole strength and loading analysis on 5% of these poles over  
22 the next three years. This will result in approximately 500 poles per year  
23 being evaluated.

24

25

1 Q. Has Gulf told the FCTA which poles it is evaluating in 2007?

2 A. Yes. Gulf sent FCTA maps identifying the poles in the sample that would  
3 be evaluated in 2007.

4

5 Q. What standard of construction will this sampling of poles be measured  
6 against?

7 A. The poles in the sample will be measured against the standard of  
8 construction to which the facilities were originally constructed. In most  
9 cases, it will be Grade C, and in some cases, it may be Grade B.

10

11 Q. On pages 23 and 28 of his testimony, Mr. Harrelson raises a concern that  
12 the 500 poles per year sampling will be measured against Grade B  
13 construction standard. Is this accurate?

14 A. No. Gulf will not be evaluating existing poles at Grade B standard unless  
15 they were originally designed and built to that standard. The 500 poles  
16 per year during 2007 through 2009 that Gulf plans to evaluate will be  
17 analyzed, for the most part, based on Grade C standards. If the poles  
18 meet Grade C, no further action is required, absent any other issues  
19 found on the poles. If the poles fail to meet Grade C, then the  
20 improvements will be designed to meet Grade B.

21

22 Q. On page 20 of his testimony, Mr. Harrelson claims "Gulf has not yet  
23 determined or quantified what is meant by 'overloading.'" Is this  
24 accurate?

25 A. No. Gulf uses the term "overloaded" in the pole strength and loading

1 analysis to refer to any pole which, upon inspection, is found deficient in  
2 respect to the required strength requirement limits of the pole required to  
3 support the horizontal load of Grade B or C specifications. In essence, an  
4 “overloaded” pole is one that does not meet the strength and loading  
5 requirements.

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7 **Costs**

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9 Q. On page 8 of his testimony, Mr. Harrelson expresses concern that the  
10 costs of make ready and annual rent “threaten to go up significantly due to  
11 the Company’s Plan.” Similar cost-related concerns are raised in other  
12 portions of his testimony. Do you foresee the cost impact to third-party  
13 attachers as “significant”?

14 A. Since the term “significant” can mean different things to different people, I  
15 can only say that their costs should be much less than those incurred by  
16 Gulf. The costs to cable operators flowing from Gulf’s Plan fall into three  
17 buckets: (1) transfer costs; (2) annual rental; and (3) make ready.

18

19 Q. What is the cost impact to FCTA member operators in each of the  
20 “buckets” mentioned in your last answer?

21 A. The total estimated costs of transfers are set forth in Gulf’s Plan at  
22 Section 12.3. With respect to the potential increases in annual pole  
23 attachment rental, Gulf provided information in response to FCTA’s  
24 interrogatories which should allow the cable operators to estimate  
25 potential changes in the annual rental.

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The third bucket – make ready – is largely within the control of the cable operators. Cable operators pay for make ready in two situations: (1) when make ready is required to accommodate a new attachment or overlashing, and (2) when make ready is required to correct a violation. If the cable operators make no new attachments or overlashing which require make ready, they will incur no cost in situation (1). If the cable operators install and maintain their facilities in compliance with the National Electric Safety Code and Gulf’s specifications, then no remedial make ready will be required and no cost will be incurred in connection with situation (2). To the extent cable operators want to estimate future make ready costs, they can use the data Gulf has given them about Gulf’s own anticipated incremental cost resulting from its adoption of Grade B construction.

Q. Do you believe the cost concerns expressed by Mr. Harrelson are justified?

A. No. The concerns are mostly expressed as generalities, with no substantiation. Gulf provided information to the FCTA from which their member operators should be able to reasonably estimate cost impacts. I believe based on what has been provided they should be able to generate a range of what the costs are, as other third-party attachers (Bellsouth, Embarq) have done.

1 Q. Do Gulf's third-party attachment standards and procedures assure, as far  
2 as reasonably practical, that third-party facilities do not impair the safety,  
3 adequacy, or reliability of the electric system?

4 A. Yes. That is the very purpose of Gulf's third-party attachment standards  
5 and procedures. The additions to Gulf's standards and procedures, as  
6 set forth in the Plan, take Gulf one step further on the path of ensuring  
7 that third-party facilities are constructed, installed and maintained in  
8 accordance with generally accepted engineering practices.

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10 Q. Does this conclude your rebuttal testimony?

11 A. Yes.

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AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA )

Docket No. 070299-EI

Before me the undersigned authority, personally appeared Alan G. McDaniel, who being first duly sworn, deposes, and says that he is the Project Services Manager of Power Delivery for Gulf Power Company, a Florida corporation, that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.

*Alan G. McDaniel*

Alan G. McDaniel  
Project Services Manager

Sworn to and subscribed before me this 13<sup>th</sup> day of September, 2007.

*Brame Nye Holsinger*  
Notary Public, State of Florida at Large

Commission No. DD 401210

My Commission Expires April 10, 2009



Storm Hardening Plan  
Gulf and FCTA Input Timeline (2007)

<u>Date</u>	<u>Activity</u>
2/23	FCTA Request to Participate in Gulf's Storm Hardening Plan
3/20	Preliminary FCTA comments sent to Gulf
3/29	Draft 1 of Gulf's Storm Hardening Plan sent (Fedex) to FCTA
4/9	Draft 2 of Gulf's Storm Hardening Plan sent (Fedex) to FCTA
4/13	Conference Call with FCTA From FCTA: Beth Keating and 7 others Beggs & Lane: Russell Badders Gulf Power: Alan McDaniel, Ed Battaglia, and Jerry Mintz
4/19	Draft 3 of Gulf's Storm Hardening Plan sent (Fedex) to FCTA
4/27	FCTA written comments to Gulf on drafts of the Storm Hardening Plan
4/30	Gulf emailed revised Attachment Standards and additional details of the draft Storm Hardening Plan to FCTA
5/2	FCTA's preliminary cost & benefit analysis received
6/14	FCTA Petition to Intervene filed (no objection filed by Gulf)
7/13	Detailed Maps of Gulf's EWL Projects emailed to FCTA
7/18	FPSC Workshop #1 with FCTA and other attachers
7/20	Maps of poles to be included in the 2007 Pole Strength & Loading Analysis sent to FCTA

<u>Date</u>	<u>Activity</u>
7/23	Meeting with FCTA at Gulf Power headquarters in Pensacola From FCTA: Beth Keating, Maria Browne, and M.T. Harrelson Cox Communications: Mark O'Ceallaigh and Michael Cantwell ComCast: Tom Carroll Beggs & Lane: Russell Badders Balch Bingham: Eric Langley Gulf Power: Alan McDaniel and Jerry Mintz
7/24	Received e-mail from Mr. Harrelson with comments: FCTA requesting input into safety audit and strength assessment guidelines
7/25	FPSC Workshop #2 with FCTA and other attachers
8/1	FPSC Workshop #3 with FCTA and other attachers
8/7	Conference Call with FCTA From FCTA: Maria Browne, Beth Keating, and M.T. Harrelson Cox Communications: Michael Cantwell Beggs & Lane: Russell Badders Balch Bingham: Eric Langley Gulf Power: Alan McDaniel and Jerry Mintz
8/14	Amended Storm Hardening Plan filed with the FPSC (Based on comments from FPSC Staff and third-party attachers)