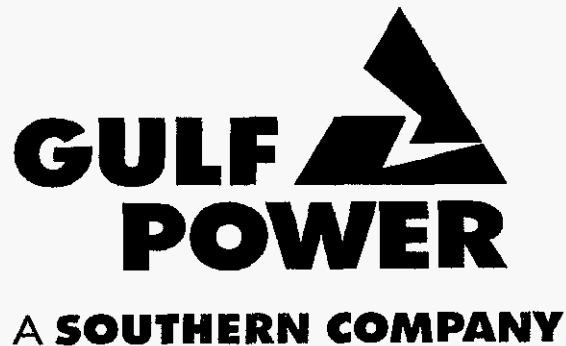


**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 110138-EI

**REBUTTAL TESTIMONY AND EXHIBIT
OF
R. SCOTT MOORE**



DOCUMENT NUMBER-DATE

08157 NOV-4 =

FPSC-COMMISSION CLERK

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission
3 Rebuttal Testimony and Exhibit of
4 R. Scott Moore
5 Docket No. 110138-EI
6 In Support of Rate Relief
7 Date of Filing: November 4, 2011

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

9 A. My name is Scott Moore. My business address is One Energy Place,
10 Pensacola, Florida 32520 and I am the Power Delivery General Manager
11 of Gulf Power Company (Gulf or the Company).

12 Q. Have you previously filed testimony in this proceeding?

13 A. Yes.

14 Q. What is the purpose of your rebuttal testimony?

15 A. The purpose of my rebuttal testimony is to address the statements
16 contained in the direct testimony of Office of Public Counsel (OPC)
17 witness Helmuth W. Schultz, III, with regard to his recommended
18 disallowances of a portion of Gulf's vegetation management expense and
19 to provide additional information relating to the Company's vegetation
20 management plan. I also address the statements contained in the direct
21 testimony of OPC witness Donna Ramas with regard to recommended
22 adjustments to budgeted distribution capital additions associated with the
23 Smart Grid Investment Grant (SGIG) program projects. Lastly, I address
24 the statements contained in the direct testimony of Ms. Ramas concerning
25 justification of additional employees in Gulf's Distribution area.

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08157 NOV-4 =

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1 Q. Are you sponsoring any exhibits?

2 A. Yes, I am sponsoring Exhibit RSM-2, consisting of one schedule. Exhibit
3 RSM-2 was prepared under my direction and control, and the information
4 contained therein is true and correct to the best of my knowledge and
5 belief.

6
7 Q. Would you please address Mr. Schultz's concerns regarding Gulf Power
8 Company's vegetation management program?

9 A. Mr. Schultz used a four-year average of the 2006 to 2010 expenditures
10 with an escalation factor to arrive at his recommended funding level of
11 \$4,531,320. During three of the four years in Mr. Schultz's average, Gulf
12 was on a six year lateral and three year main line feeder trim cycle that
13 was approved by the Florida Public Service Commission (FPSC or the
14 Commission) in Gulf's 2007 storm hardening plan.

15

16 As a result of its experience with the trim cycle approved in the 2007 storm
17 hardening plan, Gulf determined that it was necessary to shorten the
18 lateral trim cycle from six to four years. In 2010, Gulf submitted and the
19 FPSC approved Gulf's storm hardening plan for the years 2010 to 2012.
20 This new storm hardening plan incorporated a four-year lateral and three-
21 year main line feeder trim cycle. Gulf began the transition to the new trim
22 cycle in 2010 after the FPSC approved Gulf's new storm hardening plan.
23 At the end of 2010, the transition was not yet fully completed, and Gulf
24 had not yet reached the needed number of lateral miles to achieve the
25 new trim cycle for laterals.

1 By the end of 2011, Gulf expects to be fully transitioned to the four-year
2 lateral and three-year mainline feeder trim cycle. In relying on a four-year
3 average for establishing a funding level for vegetation management, Mr.
4 Schultz completely ignores the requirements of Gulf's FPSC-approved
5 storm hardening plan. Gulf's expenditures in 2010 were \$4.9 million and
6 are projected to be \$5.8 million in 2011. Going forward, Gulf will need the
7 requested \$4.918 million to stay on the trim cycle approved in Gulf's storm
8 hardening plan. Gulf's request of \$4.918 million is based on our approved
9 storm hardening plan and a budget process which relies on Company
10 distribution experts to submit requests for known conditions.

11

12 Q. Please address Ms. Ramas' recommended adjustments to budgeted
13 distribution capital additions associated with the Distribution SGIG
14 program projects.

15 A. Gulf's budgeted capital dollar amounts in both 2011 and 2012 for the
16 Distribution SGIG program exclude the portion funded through the DOE
17 grant and consist solely of Gulf's 50% match for the DOE grant. Because
18 the amount included in the rate base is only Gulf's net SGIG expenditures,
19 Ms. Ramas' recommended disallowance of \$2,970,000 is inappropriate.

20

21 Q. Ms. Ramas has proposed a reduction in the Company employee
22 complement. Does she propose any specific reductions to the employee
23 complement in the Distribution function?

24 A. It is difficult to know whether any of her adjustments are to the Distribution
25 complement. Ms. Ramas' proposed adjustment is company-wide, not by

1 function. She does not appear to have considered the justifications I
2 provided for each and every distribution position addition in my direct
3 testimony.

4

5 Q. Ms. Ramas used the June 30th complement to make her adjustment.
6 Where did the distribution position complements stand in June and
7 currently?

8 A. Please see Schedule 1 to my Exhibit RSM-2 for information regarding the
9 status of the distribution position complement.

10

11 Q. Does this conclude your rebuttal testimony?

12 A. Yes.

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AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 110138-EI

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

The signed original affidavit is attached to the original testimony on file with the FPSC.

s/ _____
R. Scott Moore
Power Delivery General Manager

Sworn to and subscribed before me this _____ day of _____,
2011.

Notary Public, State of Florida at Large

Commission No. _____

My Commission Expires _____

Positions Filled

| 2012 Budgeted | June 30, 2011 Status | October 2011 Status | December 2011 Projected Status |
|----------------------------|----------------------|-----------------------|--------------------------------|
| 10 EITs | 10 | 10 | 10 |
| 2 Mechanics | 2 | 2 | 2 |
| 1 Administrative Assistant | 0 | 1 (See Note Below) | 1 (See Note Below) |
| 32 Utilitypersons | 12 | 30 | 32 |

NOTE: The Administrative Assistant position was moved to the Contract Services group and was filled as an engineering representative. The job duties for this position will primarily focus on preparing work orders for pole replacements identified through the pole inspection process.

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