

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 110138-EI

**REBUTTAL TESTIMONY
OF
JAMES I. THOMPSON**



DOCUMENT NUMBER-DATE

08160 NOV-4 =

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1 GULF POWER COMPANY

2 Before the Florida Public Service Commission
3 Prepared Rebuttal Testimony of
4 James I. Thompson
5 Docket No.110138-EI
6 In Support of Rate Relief
7 Date of Filing: November 4, 2011

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

9 A. My name is Jim Thompson and my business address is One Energy
10 Place, Pensacola, Florida 32520. I am employed by Gulf Power Company
11 (Gulf, or the Company) as Supervisor of Pricing and Load Research.

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

13 A. Yes.

14 Q. What is the purpose of your testimony?

15 A. The purpose of my testimony is to address the testimony of Federal
16 Executive Agencies (FEA) witness Gorman with regard to Gulf Power's
17 proposed Critical Peak Option for Rate Schedules GSDT and LPT.

18
19 Q. Do you have concerns with any of the specific recommendations made by
20 Mr. Gorman on page 60 of his testimony?

21 A. Yes. I have concerns with Mr. Gorman's first and third recommendations.

22
23 Q. What is your concern with Mr. Gorman's first recommendation?

24 A. I do not believe that the provisions and language offered by Mr. Gorman
25 are appropriate for inclusion in Gulf Power's Tariff. Gulf Power's Tariff

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1 contains the “whats” associated with prices, terms, and conditions of
2 electric service. The Tariff provisions tell us what is done, not why
3 something is done or how a decision was made. While those are
4 legitimate interests, they are not the types of information that should be
5 included in the Tariff. The end-state is rightfully the focus of the Tariff.

6

7 Mr. Gorman’s suggestion that the rate schedule for Gulf’s proposed
8 Critical Peak Option include a recipe for how the decision to designate a
9 Critical Peak Period would be made should therefore be rejected.

10

11 Q. Should the Florida Public Service Commission also reject Mr. Gorman’s
12 third recommendation that the proposed rate option be modified to permit
13 a customer to place “a portion” of its load on this rate option?

14 A. Yes. While the details of this recommendation are not entirely clear since
15 Mr. Gorman did not include revised Tariff sheets, the recommendation is
16 in direct conflict with the long-standing tenet of “one meter-one customer-
17 one rate.” That is, each meter represents a customer, and all electric
18 energy passing through a meter is priced under one rate schedule. I am
19 not sure how, if, and at what cost metering and billing could be
20 accomplished under Mr. Gorman’s proposed scheme.

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22 Q. Is it your belief that Gulf Power’s proposed rate schedule is appropriate in
23 its current form?

24 A. Yes. Gulf’s proposal is the product of many years of rate design
25 experience, thorough consideration of customer needs, metering and

1 billing capabilities, compatibility with the underlying rates, and sound
2 pricing principles. Mr. Gorman's recommendations are not supported by
3 the same level of analysis and experience that preceded Gulf's proposal.

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5 Q. Does this conclude your testimony?

6 A. Yes.

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AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No.110138-EI

Before me the undersigned authority, personally appeared James I. Thompson, who being first duly sworn, deposes, and says that he is the Supervisor of Pricing and Load Research of 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.

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

s/ _____
James I. Thompson
Supervisor of Pricing and Load Research

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

Notary Public, State of Florida at Large

Commission No. _____

My Commission Expires _____