

**Diamond Williams**

100304-EU

**From:** Marchman, Vickie L. [VLMARCHM@southernco.com]  
**Sent:** Tuesday, October 26, 2010 4:19 PM  
**To:** Filings@psc.state.fl.us  
**Subject:** Gulf Power's Motion to Compel Responses to Gulf's Second Interrogatories to CHELCO  
**Attachments:** Motion to Compel CHELCO 10-25-10.pdf

- A. /Susan D. Ritenour  
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- B. Docket No. 100304-EU.
- C. Gulf Power Company
- D. Document consists of 24 pages.
- E. The attached document is Gulf Power's Motion to Compel Responses to Gulf's Second Interrogatories to CHELCO

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October 26, 2010

Ms. Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Dear Ms. Cole:

Re: Docket No. 100304-EU

Enclosed herein for filing in the above referenced matter is Gulf Power's Motion to Compel Responses to Gulf Power's Second Interrogatories to Choctawhatchee Electric Cooperative, Inc.

Sincerely,

*Susan D Ritenour*

vm

Enclosures

cc: Beggs & Lane  
Jeffrey A. Stone, Esq.

DOCUMENT NO. DATE  
08977-10 10,26,10  
FPSC - COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Territorial Dispute Between )  
Choctawhatchee Electric Cooperative, Inc. )  
and Gulf Power Company )  
\_\_\_\_\_ )

Docket No. 100304-EU  
Date: October 26, 2010

**MOTION TO COMPEL RESPONSES TO GULF POWER'S SECOND INTERROGATORIES TO CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.**

Pursuant to Rules 28-106.204 and 28-106.206 Florida Administrative Code, and Rule 1.380, Florida Rules of Civil Procedure, Gulf Power Company ("Gulf Power") hereby moves for an order compelling Choctawhatchee Electric Cooperative, Inc. ("Chelco") to respond to certain of Gulf Power's Second Interrogatories (Nos. 23-51):

**BACKGROUND**

This territorial dispute involves the provision of electric service to a proposed mixed-use development consisting of approximately 171 acres which is located entirely within the municipal boundaries of the City of Crestview, Florida (the "Freedom Walk Development"). (Chelco's Petition at ¶ 6). This matter has been scheduled for a final evidentiary hearing on March 1 and 2, 2011. On August 24, 2010, Gulf Power issued its Second Interrogatories to Chelco.<sup>1</sup> On September 23, 2010, Chelco served its responses and objections to Gulf's Second Interrogatories.<sup>2</sup> Chelco has objected to the following interrogatories on grounds of relevance and that responding to the same would be unduly burdensome: 23, 24, 25, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, and 46. Each of the foregoing interrogatories is narrowly tailored and asks Chelco to identify the number of members/customers that it serves in defined geographical areas throughout Okaloosa and Walton counties. The defined geographical

<sup>1</sup> A true and correct copy of Gulf's Second Interrogatories is attached hereto as Exhibit "A."

<sup>2</sup> A true and correct copy of Chelco's Response to Gulf's Second Interrogatories is attached hereto as Exhibit "B."

areas are limited, in the first instance, to incorporated municipalities and, in the second instance, to other land areas in which Chelco provides retail service and which are non-rural in nature.

### ANALYSIS

Under Florida law, the conditions to obtaining discovery from another party are not stringent. The Florida Rules of Civil Procedure provide that:

[p]arties may obtain discovery regarding any matter, not privileged that is relevant to the subject matter of the pending action....[I]t is not a ground for objection that the information sought will be inadmissible at the trial if the information sought appears reasonably calculated to lead to the discovery of admissible evidence.

Fla. R. Civ. Pro. 1.280(b)(1).

“Relevant evidence,” in turn, is defined as “[e]vidence tending to prove or disprove a material fact. See, § 90.401, Fla. Stat. Florida’s discovery rules should be liberally construed insofar as “Florida favors complete disclosure in discovery matters, limited only by certain considerations such as privilege, work product and relevancy.” ACandS, Inc., v. Askew, 597 So.2d 895, 898 (Fla. 1st DCA 1992).

Gulf’s rationale for seeking the above-referenced information from Chelco is simple. Section 425.04, Florida Statutes, sets forth the powers of rural electric cooperatives in Florida. Section 425.04(4), provides that cooperatives shall have the power

[t]o generate, manufacture, purchase, acquire, accumulate and transmit electric energy, and to distribute, sell, supply, and dispose of electric energy in rural areas to its members, to governmental agencies and political subdivisions, and to other persons not in excess of 10 percent of the number of its members....

§ 425.04(4), Fla. Stat. (emphasis supplied).

Section 425.03(1), in turn, provides that “‘Rural area’ means any area not included within the boundaries of any incorporated or unincorporated city, town, village, or borough having a population in excess of 2,500 persons.” § 425.03(1), Fla. Stat. (emphasis supplied).

In Alabama Electric Cooperative, Inc. v. First National Bank of Akron, Ohio, the U.S. Court of Appeals for the Eleventh Circuit held that section 425.04(4), Florida Statutes, “allows a rural coop to serve up to a ten-percent non-rural membership.” 684 F.2d 789, 792 (11<sup>th</sup> Cir. 1982). (emphasis supplied) Thus, under Florida law, a cooperative lacks legal authority to serve more than ten percent non-rural membership.

Chelco currently has 42,299 active accounts throughout portions of Okaloosa and Walton counties. See, Chelco’s response to interrogatory number 1 of Gulf’s First Interrogatories. As noted above, the Freedom Walk Development is located within the boundaries of the City of Crestview and therefore, by definition, does not constitute a “rural area” under section 425.03(1), Florida Statutes. If Chelco presently serves a number of persons in non-rural areas which exceeds ten percent of its total membership, or, if serving the proposed development would cause it to do so, Chelco is barred, as a matter of law, from serving the Freedom Walk Development. The above-referenced interrogatories each go to the heart of the issue --to determine how many members/customers Chelco serves in non-rural areas. Consequently, Chelco’s suggestion that the information sought is not relevant, i.e., that it has no tendency to prove or disprove a material fact in this case is untenable. Similarly, Chelco’s suggestion that the interrogatories are overbroad, or that responding to the interrogatories would be unduly burdensome is also without merit. Initially, it bears noting that Chelco’s objections in this regard are legally deficient. Objecting on the ground of burden, without an explanation of how the objecting party will be burdened, is improper. See, e.g., First City Development of Florida, Inc. v. The Hallmark of

Hollywood Condominium Ass'n., Inc., 545 So.2d 502 (Fla. 4<sup>th</sup> DCA 1989) (holding that objections on the ground that discovery would be “overly broad” or “unduly burdensome” without more, are improper. “It is incumbent upon the petitioners to quantify for the trial court the manner in which such discovery might be overly broad or burdensome. They must be able to show the volume of documents, or the number of man-hours required in their production, or some other quantitative factor that would make it so.”).

In its first interrogatories, Gulf asked Chelco how many of its members were currently located in “rural areas” as defined by section 425.03(1), Florida Statutes. Chelco objected to this interrogatory stating that it could not “[r]easonably ascertain how many of its 42,299 active accounts are currently in a ‘rural area’ as Gulf Power has defined that term....” See, Chelco’s Response to interrogatory number 3 of Gulf’s First Interrogatories. In response to this objection, and in an attempt to provide further clarity, Gulf Power issued its second interrogatories which precisely delineate the geographical areas at issue. Given that Chelco lacks the authority under Florida law to serve more than ten percent non-rural membership, one would naturally presume that Chelco would be acutely aware of how many of its members reside in rural versus non-rural areas. Without this data, Chelco would have no way to know if it was acting outside of its statutory authority. Furthermore, and regardless of the statutory issues, it seems likely that Chelco would compile and maintain this locational data in the normal course of its operations. Even if this is not the case, the relevance of the data is not subject to legitimate debate. This data is necessary to resolve a threshold legal issue in this case and, in fairness to the parties and the Commission, should therefore be produced to Gulf Power without further delay. Given that the deadline for filing direct testimony has been set for December 10, 2010, Gulf Power respectfully requests that this matter be considered on an expedited basis.

Pursuant to Rule 28-106.204(3), Florida Administrative Code, and Rule 1.380(a)(2), Florida Rules of Civil Procedure, Gulf Power has conferred in good faith with counsel for Chelco in this matter and is authorized to represent that Chelco objects to the relief sought herein.

Respectfully submitted this 26<sup>th</sup> day of October, 2010.



**JEFFREY A. STONE**  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE:

Territorial Dispute Between )  
Choctawhatchee Electric Cooperative, Inc. )  
And Gulf Power )

Docket No.: 100304-EU

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic mail and U.S. Mail this 26<sup>th</sup> day of October, 2010, on the following:

CHOCTAWHATCHEE ELECTRIC COOP.,  
INC.  
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**Attorneys for Gulf Power Company**



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Territorial Dispute Between )  
Choctawhatchee Electric Cooperative, Inc. )  
and Gulf Power Company )  
\_\_\_\_\_ )

Docket No. 100304-EU  
Date: August 24, 2010

**GULF POWER'S SECOND INTERROGATORIES TO  
CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC. (Nos. 23-51)**

Pursuant to Rule 28-106.206, Florida Administrative Code, and Rule 1.340, Florida Rules of Civil Procedure, Gulf Power Company ("Gulf Power") requests that Choctawhatchee Electric Cooperative, Inc. ("Chelco") submit separate and complete written responses to Gulf Power's interrogatories within thirty (30) days after service thereof.

**DEFINITIONS**

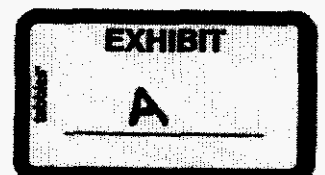
"You," "your," "Company" or "Chelco" refers to Choctawhatchee Electric Cooperative, Inc., its employees and authorized agents.

"Freedom Walk Development" or "the Development" means the land area described as the "Freedom Walk Property" and delineated with a bold black border on Exhibit "A" to the petition filed by Chelco in this proceeding.

"Bluewater Bay" means the unincorporated portion of Okaloosa County principally composed of the Bluewater Bay Development, but more precisely delineated as follows: the contiguous land area in Okaloosa County, Florida bordered on the north by Rocky Bayou, bordered on the west and south by Choctawhatchee Bay, and bordered on the east by the eastern section line of Sections 14, 23, 26 and 35 of Township 1 South, Range 22 West.

"City of Crestview" means the land area comprising the corporate municipal limits of the City of Crestview.

"Greater Crestview" means those unincorporated areas of Okaloosa County that abut the corporate municipal limits of the City of Crestview and are of the same general non-rural character as those areas within the corporate municipal limits such that they are reasonably considered to be part of the Crestview business and residential community, in addition to the area comprising the corporate municipal limits, all together more precisely delineated as follows: the contiguous land area in Okaloosa County, Florida delineated by a boundary as follows: beginning at the point where State Road 85 south from Crestview first intersects with the northern boundary of Eglin AFB Reservation thence proceeding west along the northern boundary of Eglin AFB to the point where it first intersects with the Yellow River thence generally north following the eastern bank of the Yellow River until reaching Section 24 of



Township 4 North, Range 24 West, thence easterly through and including Section 24 of T 4-N, R 24-W and Sections 19, 20, 21, 22, 23, and 24, and including Section 15, all in T 4-N, R 23-W, thence south through Section 25 of T 4-N, R 23-W, then east through Sections 30, 29, 28, and 27, thence north through Section 22, thence east through Section 23, thence south through Sections 26 and 35, all in T 4-N, R 22-W, thence continuing south through Sections 2 and 11, thence east through Section 12, thence south through Sections 12, 13, and 24, all in T 3-N, R 22-W, until it intersects with the L&N (CSX) Railroad, thence westerly along the Railroad until it crosses the Shoal River, thence southerly along the west bank of the Shoal River until it first intersects with Eglin AFB Reservation property and thence westerly along the northern boundary of Eglin AFB to the point of beginning.

“City of DeFuniak Springs” means the land area comprising the corporate municipal limits of the City of DeFuniak Springs.

“Greater DeFuniak Springs” means those unincorporated areas of Walton County that abut the corporate municipal limits of the City of DeFuniak Springs and are of the same general non-rural character as those areas within the municipal limits such that they are reasonably considered to be part of the DeFuniak Springs business and residential community, in addition to the area comprising the corporate municipal limits, all together more precisely delineated as follows: the contiguous land area in Walton County, Florida delineated by a boundary as follows: beginning at that portion of the eastern boundary of Section 4, Township 2-N, Range 19-W lying north of Interstate 10, proceed north-westerly through and including those portions of Sections 4 and 5 of T 2-N, R 19-W and Section 32 of T 3-N, R 19-W lying north of Interstate 10; thence north through Sections 29, 20, 17 and 8, thence west through Section 7, all in T 3-N, R 19-W; thence west through Section 12, thence north through Section 1, both in T 3-N, R 20-W; thence east through that portion of Sections 6 and 5 of T 3-N, R 19-W lying west of U.S. Highway 331; thence south through Section 8 and east through Sections 9, 10, and 11 thence south through Sections 14 and 23, thence east through Section 24, thence south through Sections 25 and 36, all in T 3-N, R 19-W; then continuing south through Sections 1, 12, 13, and 24, then west through Sections 23 and 22, then north through Sections 15, 10, and 3, all in T 2-N, R 19-W to the point of beginning; but adding on the West ½ of the West ½ of Section 30, T 3-N, R 18-W.

“Freeport” means the land area comprising the corporate municipal limits of the City of Freeport.

“Greater Freeport” means those unincorporated areas of Walton County that abut the corporate municipal limits of the City of Freeport and are of the same general non-rural character as those areas within the municipal limits such that they are reasonably considered to be part of the Freeport business and residential community, in addition to the area comprising the corporate municipal limits, all together more precisely delineated as follows: the contiguous land area in Walton County, Florida consisting of the populated land lying generally north of Choctawhatchee Bay and bounded by and inclusive of the land Sections as follows: commencing at the north shore of Choctawhatchee Bay, proceed north through Sections 23, 18, 11 and 2 and then east through Section 1, all in Township 1 South, Range 20 West; then continuing east through Sections 6, 5, 4, and 3 of T 1-S, R 19-W; then northerly through those portions of Sections 34, 35, and 26 lying east of the right-of-way of U.S. Highway 331, then east through

Section 25, all in T 1-N, R 19W; then continuing east through that portion of Section 30 of T 1-N, R 18-W lying within the corporate municipal limits of the City of Freeport (approximately the West ½ of the West ½ of the West ½ of Section 30); then south through that portion of Section 31 of T 1-N, R 18-W lying within the corporate municipal limits of the City of Freeport (approximately the West ½ of the West ½ of the West ½ of Section 31); then south through Section 6, then east through Sections 5, 4, and 3, then south through Sections 10, 15, 22, 27, and 34 all in T 1-S, R 18-W; then south through Section 3, and then west through Sections 4, 5, and 6 of T 2-S, R 18-W; then continuing east through Sections 1, 2, and 3 of T 2-S, R 19-W and then continuing along the north shore of Choctawhatchee Bay to the point of beginning.

“Seagrove Beach” means the land area delineated as follows: the contiguous land area in Walton County, Florida consisting of all land lying in Sections 14, 15, 23 and 24, plus the S-1/2 of the SE-1/4 of Section 11 and the SW-1/4 of the SW-1/4 of Section 13 , all being in Township 3 South, Range 18 West, plus all land lying in Section 19 of Township 3 South, Range 19 West.

“Member” shall have the same definition as provided in section 425.03(3), Florida Statutes.

### INTERROGATORIES

23. How many electric customers does Chelco currently serve in Bluewater Bay?
24. How many Members does Chelco currently serve in Bluewater Bay?
25. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 23 and 24 respectively, please explain the reason for the difference.
26. How many electric customers does Chelco currently serve in the City of Crestview?
27. How many Members does Chelco currently serve in the City of Crestview?
28. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 26 and 27 respectively, please explain the reason for the difference.
29. How many electric customers does Chelco currently serve in Greater Crestview?
30. How many Members does Chelco currently serve in Greater Crestview?
31. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 29 and 30 respectively, please explain the reason for the difference.

32. How many electric customers does Chelco currently serve in the City of DeFuniak Springs?
33. How many Members does Chelco currently serve in the City of DeFuniak Springs?
34. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 32 and 33 respectively, please explain the reason for the difference.
35. How many electric customers does Chelco currently serve in Greater DeFuniak Springs?
36. How many Members does Chelco currently serve in Greater DeFuniak Springs?
37. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 35 and 36 respectively, please explain the reason for the difference.
38. How many electric customers does Chelco currently serve in the City of Freeport?
39. How many Members does Chelco currently serve in the City of Freeport?
40. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 38 and 39 respectively, please explain the reason for the difference.
41. How many electric customers does Chelco currently serve in Greater Freeport?
42. How many Members does Chelco currently serve in Greater Freeport?
43. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 41 and 42 respectively, please explain the reason for the difference.
44. How many electric customers does Chelco currently serve in Seagrove Beach?
45. How many Members does Chelco currently serve in Seagrove Beach?
46. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 44 and 45 respectively, please explain the reason for the difference.
47. Has Chelco ever provided initial electric service to a member or premise which was located within the City of Crestview corporate municipal limits at the time the initial electric service was provided? If the answer to the foregoing question is "yes", please

identify the customer or premise by street address and indicate the date on which initial service was provided.

48. Using the meter point and load estimations identified by Chelco in response to Interrogatory Number Eight of Gulf Power's First Interrogatories to Chelco, what would be the total annual revenue that Chelco would receive from all customers within the Development upon full build-out and occupation of the Development? For purposes of Chelco's answer to this interrogatory, use Chelco's rates currently in effect.
49. As it relates to service to the Freedom Walk Development, does Chelco contend that any duplication of its facilities by Gulf Power, no matter how small the cost, is uneconomic? If not, please articulate Chelco's view on when duplication becomes uneconomic.
50. If Chelco were to serve the Freedom Walk Development today, and the Development had a full build-out load of 3,700 kW, would service to the Development at its full build-out load cause any aspect of Chelco's three-phase feeder presently serving customers on Roberts Avenue and Old Bethel Road to be in a condition that would be contrary to the recommended parameters of Chelco's System Design and Operating Criteria (SDOC)? If the answer to the foregoing question is "yes", please describe those aspects and how they would be different than or outside of the recommended parameters of the SDOC.
51. What is the total projected cost of project 300-RU10-01 in Chelco's 2011-2014 Construction Work Plan (CWP) that would reconductor portions of and/or otherwise modify the three phase feeder presently serving customers on Roberts Avenue and Old Bethel Road from 394 AAAC to 741 AAAC?

Submitted this 24<sup>th</sup> day of August, 2010.



**JEFFREY A. STONE**

Florida Bar No.: 325953

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**Attorneys for Gulf Power Company**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition to resolve territorial dispute with Gulf Power  
Company in Okaloosa County by Choctawhatchee  
Electric Cooperative, Inc.

) Docket No.: 100304-EU  
)  
)  
)

**CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.'S  
OBJECTIONS AND RESPONSES TO GULF POWER COMPANY'S  
SECOND SET OF INTERROGATORIES (NOS. 23-51)**

Comes now, Choctawhatchee Electric Cooperative, Inc. ("CHELCO") and serve these objections and responses to Gulf Power Company's Second Set of Interrogatories.

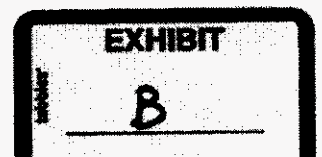
**INTERROGATORIES**

23. How many electric customers does Chelco currently serve in Bluewater Bay?

**CHELCO'S RESPONSE:** Without waiving any argument or position with respect to the precedent established by Order No. 7516 in Docket No. 74551-EU, Choctawhatchee Electric Cooperative v. Gulf Power Co., wherein the Commission rejected the argument of Gulf Power that CHELCO could not serve Bluewater Bay because it might at some point be annexed or otherwise lose the characteristics of a rural area, CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

24. How many Members does Chelco currently serve in Bluewater Bay?

**CHELCO'S RESPONSE:** Without waiving any argument or position with respect to the precedent established by Order No. 7516 in Docket No. 74551-EU, Choctawhatchee Electric Cooperative v. Gulf Power Co., wherein the Commission rejected the argument of



Gulf Power that CHELCO could not serve Bluewater Bay because it might at some point be annexed or otherwise lose the characteristics of a rural area, CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

25. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 23 and 24 respectively, please explain the reason for the difference.

**CHELCO'S RESPONSE:** Without waiving any argument or position with respect to the precedent established by Order No. 7516 in Docket No. 74551-EU, Choctawhatchee Electric Cooperative v. Gulf Power Co., wherein the Commission rejected the argument of Gulf Power that CHELCO could not serve Bluewater Bay because it might at some point be annexed or otherwise lose the characteristics of a rural area, CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

26. How many electric customers does Chelco currently serve in the City of Crestview?

**CHELCO'S RESPONSE:** Gulf did not define "customer," but for purposes of responding, CHELCO would define a "customer" as an active electric service account." Using this, the response is nine (9).

27. How many Members does Chelco currently serve in the City of Crestview?

**CHELCO'S RESPONSE: Eight (8)**

28. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 26 and 27 respectively, please explain the reason for the difference.

**CHELCO'S RESPONSE:** Pursuant to CHELCO bylaws, any person, firm, association, corporation, or body politic or subdivision thereof will become a member of Choctawhatchee Electric Cooperative, Inc. upon receipt of electric service from the cooperative. No member may hold more than one membership in the cooperative. Membership refers to ownership of the cooperative. Members may have multiple active electric service accounts, and participate in the democratic control of the cooperative.

29. How many electric customers does Chelco currently serve in Greater Crestview?

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The request for numbers of customers/members in the "Greater" area of a location is not designed to produce admissible evidence but is unduly burdensome and propounded for the purposes of annoyance and burden. Further, CHELCO does not maintain information based on any "Greater area of Crestview" and to respond would be unduly burdensome, time consuming and costly. Finally, there is no basis for the arbitrary definition advanced by Gulf nor is there any controversy.



30. How many Members does Chelco currently serve in Greater Crestview?

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The request for numbers of customers/members in the "Greater" area of a location is not designed to produce admissible evidence but is unduly burdensome and propounded for the purposes of annoyance and burden. Further, CHELCO does not maintain information based on any "Greater area of Crestview" and to respond would be unduly burdensome, time consuming and costly. Finally, there is no basis for the arbitrary definition advanced by Gulf nor is there any controversy.

31. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 29 and 30 respectively, please explain the reason for the difference.

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The request for numbers of customers/members in the "Greater" area of a location is not designed to produce admissible evidence but is unduly burdensome and propounded for the purposes of annoyance and burden. Further, CHELCO does not maintain information based on any "Greater area of Crestview" and to respond would be unduly burdensome, time consuming and costly. Finally, there is no basis for the arbitrary definition advanced by Gulf nor is there any controversy.

32. How many electric customers does Chelco currently serve in the City of DeFuniak Springs?

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

33. How many Members does Chelco currently serve in the City of DeFuniak Springs?

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

34. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 32 and 33 respectively, please explain the reason for the difference.

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

35. How many electric customers does Chelco currently serve in Greater DeFuniak Springs?

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the

discovery of admissible evidence. The request for numbers of customers/members in the “Greater” area of a location is not designed to produce admissible evidence but is unduly burdensome and propounded for the purposes of annoyance and burden. Further, CHELCO does not maintain information based on any “Greater area of DeFuniak Springs” and to respond would be unduly burdensome, time consuming and costly. Finally, there is no basis for the arbitrary definition advanced by Gulf nor is there any controversy.

36. How many Members does Chelco currently serve in Greater DeFuniak Springs?

**CHELCO’S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The request for numbers of customers/members in the “Greater” area of a location is not designed to produce admissible evidence but is unduly burdensome and propounded for the purposes of annoyance and burden. Further, CHELCO does not maintain information based on any “Greater area of DeFuniak Springs” and to respond would be unduly burdensome, time consuming and costly. Finally, there is no basis for the arbitrary definition advanced by Gulf nor is there any controversy.

37. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 35 and 36 respectively, please explain the reason for the difference.

**CHELCO’S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The request for numbers of customers/members in the “Greater” area of a location is not designed to produce admissible evidence but is unduly

burdensome and propounded for the purposes of annoyance and burden. Further, CHELCO does not maintain information based on any "Greater area of DeFuniak Springs" and to respond would be unduly burdensome, time consuming and costly. Finally, there is no basis for the arbitrary definition advanced by Gulf nor is there any controversy.

38. How many electric customers does Chelco currently serve in the City of Freeport?

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

39. How many Members does Chelco currently serve in the City of Freeport?

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

40. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 38 and 39 respectively, please explain the reason for the difference.

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

41. How many electric customers does Chelco currently serve in Greater Freeport?

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The request for numbers of customers/members in the "Greater" area of a location is not designed to produce admissible evidence but is unduly burdensome and propounded for the purposes of annoyance and burden. Further, CHELCO does not maintain information based on any "Greater area of Freeport" and to respond would be unduly burdensome, time consuming and costly. Finally, there is no basis for the arbitrary definition advanced by Gulf nor is there any controversy.

42. How many Members does Chelco currently serve in Greater Freeport?

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The request for numbers of customers/members in the "Greater" area of a location is not designed to produce admissible evidence but is unduly burdensome and propounded for the purposes of annoyance and burden. Further, CHELCO does not maintain information based on any "Greater area of Freeport" and to respond would be unduly burdensome, time consuming and costly. Finally, there is no basis for the arbitrary definition advanced by Gulf nor is there any controversy.

43. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 41 and 42 respectively, please explain the reason for the difference.

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The request for numbers of customers/members in the "Greater" area of a location is not designed to produce admissible evidence but is unduly burdensome and propounded for the purposes of annoyance and burden. Further, CHELCO does not maintain information based on any "Greater area of Freeport" and to respond would be unduly burdensome, time consuming and costly. Finally, there is no basis for the arbitrary definition advanced by Gulf nor is there any controversy.

44. How many electric customers does Chelco currently serve in Seagrove Beach?

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

45. How many Members does Chelco currently serve in Seagrove Beach?

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

46. If there is a difference between the number of customers and Members identified in response to interrogatory numbers 44 and 45 respectively, please explain the reason for the difference.

**CHELCO'S RESPONSE:** CHELCO objects to this request as it is not relevant to the issues in the pending territorial dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. The number of customers/members in areas other than the area in dispute have no relevance to the issues to be resolved in the dispute.

47. Has Chelco ever provided initial electric service to a member or premise which was located within the City of Crestview corporate municipal limits at the time the initial electric service was provided? If the answer to the foregoing question is "yes", please identify the customer or premise by street address and indicate the date on which initial service was provided.

**CHELCO'S RESPONSE:** Yes. Okaloosa County Board of Commissioners, Old Bethel Road, August 18, 1998.

48. Using the meter point and load estimations identified by Chelco in response to Interrogatory Number Eight of Gulf Power's First Interrogatories to Chelco, what would be the total annual revenue that Chelco would receive from all customers within the Development upon full build-out and occupation of the Development? For purposes of Chelco's answer to this interrogatory, use Chelco's rates currently in effect.

**CHELCO'S RESPONSE:** The response to Interrogatory 8 was based on information provided to CHELCO by the developer's engineering firm, Moore Bass, and conversations

with the developer. Without actual usage and load data for commercial accounts an accurate response to this question cannot be provided. However, using the estimations from Interrogatory 8 and current rates, the annual residential and general service non-demand revenue would be approximately \$1,309,631.

49. As it relates to service to the Freedom Walk Development, does Chelco contend that any duplication of its facilities by Gulf Power, no matter how small the cost, is uneconomic? If not, please articulate Chelco's view on when duplication becomes uneconomic.

**CHELCO'S RESPONSE:** Yes.

50. If Chelco were to serve the Freedom Walk Development today, and the Development had a full build-out load of 3,700 kW, would service to the Development at its full build-out load cause any aspect of Chelco's three-phase feeder presently serving customers on Roberts Avenue and Old Bethel Road to be in a condition that would be contrary to the recommended parameters of Chelco's System Design and Operating Criteria (SDOC)? If the answer to the foregoing question is "yes", please describe those aspects and how they would be different than or outside of the recommended parameters of the SDOC.


**CHELCO'S RESPONSE:** Generally yes, but in this case no. CHELCO's System Design and Operating Criteria (SDOC) states that once a power line is loaded to 60% capacity of the conductor, that line will be analyzed for possible upgrade or multi-phasing. When referring to feeder lines, the SDOC assumes the feeder is tied to another feeder line. The tie allows for back-feeding of each of the two feeders. The Auburn south circuit, which is the line that serves the Freedom Walk property, is not tied to another feeder. Therefore, the Auburn south circuit would be evaluated differently and the 60% guideline would not apply. Exceeding the 60% capacity will not reduce the reliability of service to the area.



51. What is the total projected cost of project 300-RU 10-01 in Chelco's 2011-2014 Construction Work Plan (CWP) that would reconductor portions of and/or otherwise modify the three phase feeder presently serving customers on Roberts Avenue and Old Bethel Road from 394 AAAC to 741 AAAC?

**CHELCO'S RESPONSE:** CHELCO objects to this question on the grounds it is not relevant to the issues of the dispute nor is it reasonably calculated to lead to the discovery of admissible evidence. This project will be built whether Freedom Walk is developed or not and the costs are not relevant to this dispute.

RESPECTFULLY SUBMITTED this 23<sup>rd</sup> day of September, 2010.

  
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