

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of ) DOCKET NO. 920202-EU  
a territorial agreement between ) ORDER NO. PSC-92-1208-FOF-EU  
Clay Electric Cooperative, Inc. ) ISSUED: 10/26/92  
and Jacksonville Electric )  
Authority. )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
BETTY EASLEY  
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION

ORDER APPROVING TERRITORIAL AGREEMENT

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On March 3, 1992, Clay Electric Cooperative, Inc. (Clay) and the Jacksonville Electric Authority (JEA) filed a joint petition seeking approval of a territorial agreement that they executed on February 27, 1992. The joint petition was filed pursuant to Rules 25-6.0439 and 25-6.0440, Florida Administrative Code. The proposed agreement establishes a territorial boundary between the two utilities primarily along the political boundary between Duval County and Clay County. (Attachment 1). JEA is a municipal electric utility, organized and existing under the laws of the state of Florida, and Clay is a rural electric cooperative, organized and existing under Chapter 425, Florida Statutes.

The agreement contemplates the transfer of approximately 8,500 customers. According to the parties' responses to staff's interrogatories, the JEA will transfer 4172 customers it presently serves in Clay County to Clay, and Clay will transfer 4280 customers it presently serves in Duval County to JEA. Both utilities stated that they can transfer a maximum of 750 customers per year. After several inquiries by staff about the intent of Section 3.3 of the agreement, which addresses the time frame of the transfer, the parties agreed to clarify the deadline for transfers by amending their agreement. The parties filed the first amendment

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to the formal agreement on June 4, 1992. The significant sections of the first amendment include Section 3.5, which requires the transfer of customers to be completed within 20 years of the Commission's approval of the agreement, and Section 6.2, which requires the parties to file a progress report with the Commission on an annual basis to report the number of customers and facilities transferred for the prior 12 months. The original staff recommendation was filed June 4, 1992. In response to a motion by the parties, this docket was deferred from the June 16, 1992 agenda. The parties filed a second amendment to the agreement on September 4, 1992, which requires the transfer of customers and facilities to be completed within 15 years from the date the Commission approves the agreement. A number of the customers that will be affected by the proposed agreement have filed objections to approval of the agreement.

The Commission has jurisdiction to approve territorial agreements pursuant to Sections 366.04(2)(c) and (d) and Section 366.04(5), Florida Statutes. That jurisdiction is exclusive, Section 366.01, Florida Statutes, and Storey v. Mayo, 217 So.2d 304 (Fla. 1968), and the Commission exercises that jurisdiction according to the standards set forth in Rule 25-6.0440, Florida Administrative Code. Rule 25-6.0440 states, in pertinent part:

(1) All territorial agreements between electric utilities shall be submitted to the Commission for approval. Each territorial agreement shall clearly identify the geographical area to be served by each utility. The submission shall include: (a) a map and a written description of the area, (b) the terms and conditions pertaining to implementation of the agreement, and any other terms and conditions pertaining to the agreement, (c) the number and class of customers to be transferred, (d) assurance that the affected customers have been contacted and the difference in rates explained, and (e) information with respect to the degree of acceptance by affected customers, i.e., the number in favor of and those opposed to the transfer. Upon approval of the agreement, any modification, changes, or corrections to this agreement must be approved by this Commission.

(2) Standards for Approval. In approving territorial agreements, the Commission may consider, but not be limited to consideration of:

a) the reasonableness of the purchase price of any facilities being transferred;

b) the reasonable likelihood that the agreement, in and of itself, will not cause a decrease in the reliability of electrical service to the existing or future ratepayers of any utility party to the agreement; and

c) the reasonable likelihood that the agreement will eliminate existing or potential uneconomic duplication of facilities.

In their petition, the parties stated that they entered into the agreement after lengthy deliberation. They also stated that the agreement represents an attempt to prevent unreasonable, costly and unnecessary duplication of electric facilities in the territorial areas covered by the agreement. It is the parties' position that this agreement is in the best interest of the public.

Customers are to be transferred in the three geographical areas shown on Attachment 2. Specifically, in Area 1, JEA customers in Clay County will be transferred to Clay (except for JEA customers within Orange Park city limits) and in Areas 2 and 3, Clay customers in Duval County will be transferred to JEA. A utility (JEA or Clay) serving customers in an area ultimately to be served by the other utility is called the opposite utility. In Attachment 2, JEA is the opposite utility in Area 1 while Clay is the opposite utility in Areas 2 and 3.

In the June 4, 1992 recommendation, staff recommended denial of the proposed agreement because they were concerned that duplication may become worse before the 20 year time period for customer transfers expires. The 20-year transfer period has now been amended to 15 years. The agreement did not clearly provide incentives to avoid further duplication of facilities during the transfer period. Since staff's first recommendation was filed, staff held several meetings with the parties, and the parties have explained how the incentive works to avoid further duplication during the transfer period:

(1) Both parties have agreed to purchase the distribution facilities (except for transformers and capacitors because of primary voltage difference) of the opposite utility located in the transferred area at replacement cost minus depreciation plus cost to reintegrate the distribution system of the transferring party (Section 3.2);

(2) Before the transfer takes place, the opposite utility will notify and obtain express written consent of the utility receiving the area of any new construction to serve new

customers (on an interim basis) or to maintain or enhance reliability (Sections 2.3, 2.4, and 4.3);

(3) The utility receiving the service area must complete the transfer of all customers and the purchase of associated facilities from the foreign utility within 15 years from the date of the Commission's approval of the agreement. After the date of approval, all new facilities built by the foreign utility in accordance with Section 2.3 and 2.4 to serve new or old customers must also be purchased;

(4) Because the utility receiving the area will eventually purchase the facilities of the opposite utility, the receiving utility must decide whether its cost to acquire the area will be lowered by (a) transferring facilities and customers now or (b) constructing its own facilities to serve the customers when it receives the area. This removes the incentive to duplicate lines until the transfer is complete and removes any disincentives not to maintain facilities in the areas to be transferred.

Section 3.5, Deadline for All Transfers, now requires the transfers to be completed within 15 years from the date the agreement is approved by the Commission. In addition, Section 6.1 provides that the agreement shall remain in effect until the Commission, by order, modifies or withdraws its approval of the agreement.

Section 6.2, Annual Reports, provides that the parties will submit an annual progress report on the number of customers and facilities transferred for the prior twelve month period. This will ensure that the Commission can effectively monitor the transfer of customers and facilities.

We believe that the requirements of Rule 25-6.0440, Florida Administrative Code, have been satisfied. Originally, staff was concerned that the customers had not been adequately informed of the difference in rates as required by Section (1)(d). In response to those concerns, the parties sent additional letters to affected customers to explain the difference in rates, and where applicable, the difference in rates with and without load management. (Attachment 3). Section (2) of the rule lists the standards of approval that the Commission may consider in approving territorial agreements. We believe that the agreement meets these standards. The purchase price is reasonable, reliability of electric service does not appear to be decreased because of the agreement, and potential uneconomic duplication of facilities will be eliminated.



As Rule 25-6.0440, Section (2), provides, the Commission may consider factors other than the enumerated factors in approving territorial agreements. One such factor is customer preference. As of September 21, 1992, approximately 35 customers have written or called the Commission to protest the transfer from the JEA to Clay, and a petition with 20 signatures has been filed to protest the transfer. The primary concern is the difference in rates. One customer, who would become a JEA customer, has written to encourage the transfer.

There is some disparity in the base rates between the two utilities; however, Clay offers two levels of load management credit for its residential customers. If the load management credits are considered, the rates are closer, although commercial customers are not currently eligible for load management credit and, thus, the rates for commercial customers transferred from JEA to Clay in Area 1 will increase slightly.

The parties have provided us with a residential rate comparison from 250 kwh to 2500 kwh. (Attachment 4). Clay County has two load management programs which apply to residential customers who consume at least 500 kwh per month. A discount of \$7 or \$12, depending on the program, is applied to participating customer's monthly bill if the customer consumes more than 500 kwh in that month. In addition, JEA has a 6% franchise fee applied to all residential customers in Clay County, pursuant to Chapter 80-443, Laws of Florida. If these factors are considered, a JEA customer in Clay County would have a \$73.46 bill for 1,000 kwh from JEA. If a \$12 load management credit is applied, the same 1,000 kwh bill would be \$72.28 from Clay County Cooperative. Considering these credits, the difference in rates at 1000 kwh could favor a customer in Clay County switching from JEA to Clay, although the rate disparity tends to increase below 500 kwh and above 1000 kwh. We are of the opinion that rate differences are minimal when these factors are considered.

A comparison of the rates between JEA and Clay shows that the difference between the rates diminishes when the customers being transferred to Clay take advantage of Clay's conservation programs. There are approximately 95 residential JEA accounts that will be transferred to Clay that may not qualify for load management because their consumption level is below 500 kwh. There are also an additional 340 commercial accounts that do not currently qualify for load management. Load management results in the deferral of peaking and possibly intermediate type generating units while reducing future electric rates from what they may otherwise be.

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Based on the foregoing reasons, this Commission approves the territorial agreement. The parties have complied with the provisions of Rules 25-6.0439 and 25-6.0440, Florida Administrative Code. We have considered the factors enumerated in the rule as well as customer preference. This agreement is necessary to prevent further uneconomic duplication, and this agreement, taken as a whole, is in the public interest.

It is, therefore,

ORDERED by the Florida Public Service Commission that the joint petition for approval of the territorial agreement between Clay Electric Cooperative, Inc. and the Jacksonville Electric Authority in Clay in Duval Counties is hereby granted, as discussed within the body of this Order. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission this 26th day of October, 1992.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

DLC:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

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The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on November 16, 1992.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ATTACHMENT 1  
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval of a  
Territorial Agreement Between Clay  
Electric Cooperative, Inc. and the  
Jacksonville Electric Authority in  
Clay and Duval Counties.

Docket No. 920202-EU  
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Florida Public Service Commission  
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PETITION FOR APPROVAL OF TERRITORIAL AGREEMENT

ELECTRIC AND GAS

Clay Electric Cooperative, Inc (Clay) and the Jacksonville Electric Authority (JEA), a municipal utility, have entered into a Territorial Agreement dated February 27, 1992, subject to the approval of the Florida Public Service Commission (Commission) and said agreement is herewith submitted for approval.

1. The names and addresses of the parties are:

Clay Electric Cooperative, Inc.  
P. O. Box 308  
Keystone Heights, FL 32656  
Attn: William C. Phillips  
General Manager

Jacksonville Electric Authority  
21 W. Church Street  
Jacksonville, FL 32202  
Attn: Royce Lyles  
Managing Director

2. Pleadings and notices in connection with this matter are to be furnished on the following counsel:

John N. Maxwell, Esquire  
CHAMPLER, LANG & MAXWELL, P.A.  
211 W. E. 1st Street  
P. O. Box 23879  
Gainesville, FL 32602  
(904) 376-5226

Neill Wade McArthur, Jr., Esquire  
Office of General Counsel  
1300 City Hall  
Jacksonville, FL 32202  
(904) 638-1700

3. The Commission has jurisdiction pursuant to Florida Statutes §366.04(2)(d) to approve territorial agreements between and among rural electric cooperatives and municipal electric utilities. This petition is filed pursuant to Chapter 25-6.0439 and Chapter 25-6.0440, Florida Administrative Code.

4. Clay is a rural electric cooperative organized and

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existing under Chapter 426, Florida Statutes, and title 7, Chapter 31, United States Code and is an electric utility as defined in Chapter 366.02(2).

5. JEA is a municipal electric utility organized and existing under the laws of the State of Florida and is an electric utility as defined in Chapter 366.02(2), Florida Statutes....

6. Clay and JEA have entered into a territorial agreement, subject to the Commission's approval, dated February 27, 1992, a copy of which agreement is attached hereto and which is incorporated herein by reference.

7. The Commission's approval of the territorial agreement is a condition precedent to the effectiveness of the agreement.

8. This agreement has been entered into by the parties after lengthy deliberation and consideration of the best interests of their electric consumers and the citizens of Clay and Duval Counties served by both parties, and represents an attempt to prevent unnecessary, costly and unnecessary duplication of electric facilities in the territorial areas covered by the agreement. It is therefore the parties position that this territorial agreement is in the best interests of the public.

9. Should the Commission approve the territorial agreement, no customers or facilities will be immediately transferred between the parties. Transfers of customers will take place on a gradual basis, beginning in 1993, as provided in the agreement.

10. The territorial agreement clearly identifies the geographic areas to be served by each utility. In addition, maps and a written description of the boundary are incorporated in the

agreement as well as the terms and conditions thereof. Although no customers are to be transferred immediately as a consequence of the agreement, the parties are notifying all customers who are subject to transfer

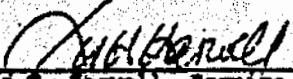
11. The parties recognize that upon approval of this agreement, any modifications, changes, or amendments must be approved by the Commission.

12. The parties represent that approval of this agreement will not cause a decrease in the reliability of electrical service to the existing or future rate payers of either utility and there is reasonable likelihood that this agreement will eliminate uneconomical duplication of facilities and will promote the Commission's stated policy of encouraging territorial agreements between and among Florida's electric utilities. /-7

WHEREFORE, Clay and JEA respectfully request that the Commission enter an order approving the territorial agreement entered into between the parties dated February 27, 1992.

DATED this 28th day of February, 1992.

Respectfully submitted,

  
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JOHN A. MAXWELL, Esquire  
CHANDLER, LANG & MAXWELL, P.A.  
211 N.E. 1st Street  
P. O. Box 23879  
Gainesville, FL 32602  
(904) 376-5226  
Florida Bar No. 162536  
Attorneys for Clay Electric  
Cooperative, Inc.

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to **WILLIAMS McARTHUR, JR.**, Office of General Counsel, 1300 City Hall, Jacksonville, FL 32202, by U.S. Mail this 29<sup>th</sup> day of February, 1992.

  
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Of Counsel

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TERRITORIAL AGREEMENT  
BETWEEN  
CLAY ELECTRIC COOPERATIVE, INCORPORATED  
AND THE  
JACKSONVILLE ELECTRIC AUTHORITY



**AGREEMENT**

Section 0.1 THIS AGREEMENT, made and entered into this 27 day of February, 1992, by and between CLAY ELECTRIC COOPERATIVE, INC., an electric cooperative organized and existing under the laws of the State of Florida (herein called "CLAY"), and the JACKSONVILLE ELECTRIC AUTHORITY, a body politic and corporate and existing under the laws of the State of Florida (herein called the "JEA"), collectively the Parties:

**WITNESSETH:**

Section 0.2 WHEREAS, CLAY, by virtue of Florida Statutes, Chapter 425, and the Charter issued to it thereunder, is authorized and empowered to furnish electricity and power to its members, private individuals, corporations and others, as defined by the laws of Florida, and pursuant to such authority, presently furnishes electricity and power to members and customers in areas of Clay County, Florida, and elsewhere; and

Section 0.3 WHEREAS, the JEA, by virtue of its Charter and the laws of Florida, is authorized and empowered to furnish electricity to private persons, firms and corporations, the City of Jacksonville, and any other public or private body, organization or unit, in any part of the City or in any adjacent county; and

Section 0.4 WHEREAS, the respective areas of service of the parties hereto are contiguous in many places in Duval and Clay

Counties, with the result that in the future, duplication of Service Facilities may occur unless such duplication is precluded by a Territorial Agreement; and

Section 0.5 WHEREAS, the Florida Public Service Commission has previously recognized that any such duplication of Service Facilities may result in needless and wasteful expenditures detrimental to the public interest; and

Section 0.6 WHEREAS, the Florida Public Service Commission is empowered by Section 366.04, Florida Statutes, to approve Territorial Agreements and resolve territorial disputes; and

Section 0.7 WHEREAS, The Parties hereto desire to avoid and eliminate the circumstances giving rise to duplications and to that end desire to operate within delineated retail service areas within JEA's territory; and

Section 0.8 WHEREAS, in order to establish territorial boundaries between Clay and JEA as to service rights to future customers and effect transfer of certain existing Customers, the Parties have delineated a boundary line between Clay and JEA hereinafter referred to as "Territorial Boundary Line" and said Territorial Boundary Line defines and delineates the retail service areas of the Parties.

NOW, THEREFORE, in fulfillment of the purposes and desires aforesaid, and in consideration of the mutual covenants, promises and agreements herein contained, which shall be construed as being interdependent, the Parties hereto, subject to and upon the terms and conditions herein set forth, do hereby agree as follows:

ARTICLE I  
DEFINITIONS

Section 1.1 Territorial Boundary Line - As used herein, the term "Territorial Boundary Line" shall mean the boundary line which delineates the service areas on the map attached hereto, and by reference made a part hereof as Exhibit "A", and which divide CLAY Territorial Area from the JEA Territorial Area and more particularly described in the description attached hereto, and by reference made a part hereof as Exhibit "C". In the event of any discrepancy between Exhibit "A" and Exhibit "C", Exhibit "C" shall prevail.

Section 1.2 CLAY Territorial Areas - As used herein, the term "CLAY Territorial Areas" shall mean the geographic areas shown on Exhibit "A" as lying south of the Territorial Boundary Line and labeled CLAY.

Section 1.3 JEA Territorial Areas - As used herein, the term "JEA Territorial Areas" shall mean the geographic areas shown on Exhibit "A" as lying north of the Territorial Boundary Line and labeled JEA.

Section 1.4 Distribution Lines - As used herein, the term "Distribution Lines" shall mean all lines for the flow of electric energy of either party having a rating up to but not including 69KV.

Section 1.5 Express Distribution Feeders - As used herein, the term "Express Distribution Feeder" shall mean a three phase

line, at distribution voltage, that transports power through the other party's territory but serves no load within such territory.

Section 1.5 Transmission Lines - As used herein the term "Transmission Lines" shall mean all lines for the flow of electric energy of either Party having a rating of 69kV or over.

Section 1.7 Existing Customers - As used herein, the term "Existing Customers" shall mean all retail electric consumers receiving service on or before the effective date of this agreement from either Party.

Section 1.8 New Customers - As used herein, the term "New Customers" shall mean all retail electric consumers applying for service, at a new location, to either JEA or CLAY after the effective date of this Agreement.

Section 1.9 Customers - As used herein, the term "Customers" shall mean both Existing Customers and New Customers.

Section 1.10 Replacement Cost - As used herein, the term "Replacement Cost" shall mean the then current cost of labor, material and overhead needed to construct like facilities at the time of replacement.

Section 1.11 Consulting Engineer - As used herein, the term "Consulting Engineer" shall mean a person or firm licensed by the State of Florida to engage in the profession of electrical engineering.

Section 1.12 Service Facilities - As used herein, the term "Service Facilities" shall mean all poles, feeder lines, lines, security lighting equipment, street lighting equipment and meters, together with related equipment, facilities and property



rights, used or useful in furnishing electricity to Customers to be transferred or exchanged hereunder. Service Facilities, shall not include any property still needed by the transferring Party to serve any of its other Customers.

Section 1.13 Transformers and Capacitors - As used herein, "Transformers and Capacitors" shall mean those Transformers and Capacitors used or useful in furnishing electricity to Customers to be transferred or exchanged hereunder.

Section 1.14 End Use Facilities - As used herein, the term "End Use Facilities" shall mean a geographic location where the electric energy used by a customer is ultimately consumed.

## ARTICLE II

### AREA DESIGNATIONS AND NEW CUSTOMERS

Section 2.1 Service Areas - The CLAY Territorial Area, as herein defined, is hereby allocated to CLAY as its retail service area for the term of this Agreement; and the JEA Territorial Area, as herein defined, and which includes the Town of Orange Park as its corporate limits exist as of January 1, 1992, is hereby allocated to the JEA as its retail service area for the term of this Agreement. No facet of this Agreement between JEA and Clay will be construed to infringe upon any other existing territorial agreement between another utility and either party outside the area described in Exhibit C. Neither Party shall serve or offer to serve a Customer whose End Use Facilities for

such service are located in the Territorial Area of the other Party except as provided in Section 2.3 below.

Section 2.2 New Customers - The Parties shall each have the right and the responsibility to provide retail electric service to all New Customers whose End Use Facilities for such service are within their respective territorial areas. Neither party shall hereafter serve or offer to serve a New Customer whose End Use Facilities for such service are located in the Territorial Area of the other Party except on an interim basis as provided in Section 2.3 below.

Section 2.3 Interim Service - Where a Party, entitled to serve a New Customer pursuant to Section 2.2 above, believes that the extension of its facilities to such New Customer would be more appropriate or compatible with its operational requirements and plans at a future time, the Party may, in its discretion, request the other Party to provide service to the New Customer on an interim basis. Such request shall be made in writing and the other Party shall promptly notify the requesting Party if it will accept or decline the request. If such request is accepted, the Party providing interim service shall be deemed to do so only on behalf of the requesting Party, who shall remain entitled to serve the New Customer to the same extent as if it had provided service in the first instance. At such time as the requesting Party elects to begin providing service directly to the New Customer, after reasonable written notice to the other Party, such other Party shall cease providing interim service and,

thereafter, service shall be furnished to the New Customer in accordance with Section 2.1 and 2.2 above.

Section 2.4 Transmission Line, Distribution Line and Service Facility Additions - In the event that either Party determines it is necessary to add Transmission Lines, Distribution Lines or Service Facilities within either Party's Territorial Area expressly for serving Customers in the other Parties Territorial Area, that Party shall notify the other no later than 2 years prior to such planned addition. Said Party who has the Territorial Area in which such Customers are being or will be served shall either (1) elect to acquire all such Customers or a sufficient number thereof so as to relieve the need for such additional facilities, or (2) pay for such facilities at the time of transfer pursuant to Section 3.2 hereof. Such election will take place within 1 year after receipt of the other Party's 2 year notice, and if acquisition of all Customers or a portion thereof is the selected alternative, such acquisition will be completed within 2 years of the receipt of notice.

If the Party having the rights to acquire hereunder should pay for such additional facilities as set forth above, the Party selling such facilities shall convey and transfer all such facilities to the Party acquiring same, including real and personal property rights.

ARTICLE III  
TRANSFER OF CUSTOMERS  
AND FACILITIES

When requested by JEA and within the time frame provided in Section 3.3 below, CLAY shall transfer to JEA, all Customers now or hereafter served by it in the JEA Territorial Area. When Requested by CLAY, and subject to the time frame provided in Section 3.3, JEA shall transfer to CLAY all Customers now or hereafter served by it in the CLAY Territorial Area. All such transfers shall be made in conformance with sound and economical engineering and operating practices. Under no circumstances will the transfer of any Customer(s) be made prior to formal approval of this Agreement by the Florida Public Service Commission.

Section 3.2 Consideration - All Customers subject to transfer hereunder, together with the Service Facilities related thereto, shall be transferred in the following manner and for the following consideration:

a. JEA shall pay CLAY in cash the amount established in this section, whereupon CLAY shall transfer the Customer, and the associated Service Facilities to JEA. CLAY shall pay JEA in cash the amount established in this section, whereupon JEA shall transfer the Customer, and the associated Service Facilities to CLAY. In the event either Party elects to purchase a Customer or Service Facilities under any provision of this Agreement, such Party shall purchase all the Service Facilities related to such Customer, and not just a part thereof, if desired by the



transferring Party. Except for Transformers and Capacitors, it is the intent of the Parties that neither Party be required to retain or remove facilities no longer useful to that Party which lies in the other Party's Territorial Area.

b. The total amount to be paid for the transfer of Service Facilities (in addition to the amount in Section 3.2 (c) and Section 3.2 (d) below for Customer transfer) shall be the sum of: (1) the replacement cost of the Service Facilities less straight line depreciation on a thirty (30) year life basis, (2) the cost of reintegrating the radial system of the transferring Party (including the cost of constructing facilities necessary to reintegrate the transferring Party's system both inside and outside the disconnected area(s) or location(s)) except that the cost of providing dual source for areas remaining after transfer shall be the transferring utility's responsibility; and (3) other direct damage, if any, suffered by the transferring Party in such amounts as might be agreed upon by the Parties but shall not include service reliability. The Parties agree that when available actual project documents will be used to establish construction requirements of given projects.

c. The total amount to be paid for the transfer of a Customer shall be the product of (1) the Adjusted Cost per Kilowatt Hour multiplied by (2) the Kilowatt Hours used for electric service for either the immediately preceding twelve (12) - month period in which the account was served at the service location, or a twelve (12) - month period annualized in the event of a lesser time period. In the case of a Customer who was not

billed for any part of the immediately preceding twelve (12) - month period, the amount to be paid for the transfer of such Customer shall be the transferor's prevailing monthly customer charge multiplied by twelve (12).

The Adjusted Cost per Kilowatt Hour is calculated by using the following formula:

$$X = \frac{R_1 + R_2}{2}$$

Where,

X = Adjusted Cost per Kilowatt Hour

R<sub>1</sub> = The average cost per Kilowatt Hour pursuant to JEA's residential rate effective January 1 of the year of transfer request and based upon the use of 1000 KWH per month excluding taxes, sales tax, public utility taxes, gross receipts tax and franchise fees.

R<sub>2</sub> = The average cost per Kilowatt Hour pursuant to Clay's residential rate effective January 1 of the year of transfer request and based upon the use of 1000 KWH per month excluding taxes, sales tax, public utility taxes, gross receipts tax and franchise fees.

d. The total amount to be paid for street lights and security lights to be transferred shall be an amount equal to the product of (1) the said Adjusted Cost per Kilowatt Hour multiplied by (2) the average annual kilowatt hour usage of street light fixtures or security light fixtures of the size and capacity of those being transferred. Energy requirements for street lighting or security lighting accounts shall be based on standard engineering information provided by the parties for the specific size and type of lighting fixtures transferred.

Section 3.1 Time - Transfers of Clay's or JEA's Customers hereunder shall be effectuated on a gradual basis to Clay by areas C1, C2, C3, C4 and C5 shown on Exhibit A, which is attached hereto and by reference made a part hereof, and to JEA by areas J1, J2, J3, J4, J5 and J6 also shown on Exhibit B. Should it be necessary for the continuity of service or services, the area being purchased may be adjusted with agreement of both Parties. One or more areas or portions thereof may be transferred in one calendar year but not to exceed the maximum of 750 customers. Should it be necessary, in order to prevent duplication of Service Facilities, Customers and related facilities may be sold at anytime to either party in accordance to Section 3.2, if mutually agreed upon. No transfer shall be made prior to a formal approval of this agreement by the Florida Public Service Commission.

Any Customer not transferred at the time this Agreement terminates shall be retained by the Party serving such Customer unless otherwise agreed upon.

Section 3.4 Procedures on Transfer - Following the formal approval of this Agreement by the Florida Public Service Commission, as described in Section 5.1 below, and until all Customers have been transferred:

a. By March 1 of each year, each Party will advise the other Party, in writing, as to which and how many Customers, Transformers and Capacitors, and proposed related Service Facilities each Party desires to acquire during the following calendar year, and

b. By June 1 of each year, each Party will furnish the other Party, in writing, such information as the other Party may reasonably require with respect to said Customers, Transformers and Capacitors and actual related Service Facilities, and will advise the other Party as to the amount of money the other Party will be required to pay for the transfer of said Customers and the value of the Transformers and Capacitors and actual related Service Facilities. Each Party shall have access to the other Party's files and records for any information necessary to determine the amount to be paid for the transfer of Customers and Service Facilities and value of the Transformers and Capacitors as provided herein, and

c. By November 1 of each year, the acquiring Party will advise the other Party as to how many Customers it will accept during the following calendar year.

d. The Parties agree that no consideration will be requested or paid for the partial or complete loss of the use of any substation.

In each transfer, the transferring Party will make, execute, and deliver to the acquiring Party a conveyance, deed, or other instrument of transfer as is appropriate in order to convey to the other all right, title, and interest of the transferring Party in any facilities, rights-of-way, easements, road permits, or other rights. It is the intent of the Parties to return all Transformers and Capacitors to the transferring Party as soon as practicable. The acquiring Party will not open Transformers, will perform no internal maintenance thereon and

will not, unless the transformers are damaged by the acquiring Party, take title to the Transformers. Likewise the acquiring Party will not open Capacitors, will protect them from puncture and will not, unless the Capacitors are damaged by the acquiring Party, take title to the Capacitors. However, Transformers and Capacitors not returned to the transferring Party within 18 months of the instrument of transfer will become the property of the acquiring Party and said acquiring Party will pay the transferring Party an amount as established in 3.b. above. Transformers and Capacitors and other electrical devices containing dielectric fluids shall be maintained in good operating conditions by the acquiring Party. In the event of a leakage or other failure resulting in loss of the dielectric fluid, the acquiring Party shall take corrective action consistent with safe operating procedures and in accordance with local, state and federal laws, rules and regulations governing the release of dielectric fluids into the environment.

#### ARTICLE IV

#### OPERATION AND MAINTENANCE

Section 4.1 Facilities to Remain - All generating plants, substations, Transmission and Distribution Lines and related facilities now used by either Party in conjunction with their respective electric utility systems, and which are used directly or indirectly and are useful in serving Customers in their respective service areas, shall be allowed to remain where



situated and shall not be subject to removal hereunder; PROVIDED HOWEVER, that each Party shall operate and maintain said lines and facilities in such a manner as to minimize any interference with the operations of the other Party.

Section 4.2 Joint Use - The Parties hereto realize that it may be necessary, under certain circumstances and in order to carry out this Agreement, to make arrangements for the joint use of their respective Service Facilities, in such event arrangement shall be made by separate instruments incorporating standard engineering practices and providing proper clearances with respect thereto.

Section 4.3 New Facilities in Territory of Other Party - Neither Party shall construct Transmission Lines, Distribution Lines or Service Facilities in the territory of the other Party without the expressed written consent of the other Party. Express Distribution Feeders are exempt from this provision; PROVIDED, HOWEVER, that the Party shall construct, operate and maintain said Express Distribution Feeders in a safe manner so as to minimize any interference with the operation of the other Party's facilities.

#### ARTICLE V

##### PREREQUISITE APPROVAL

Section 5.1 Florida Public Service Commission - The provisions of this Agreement, are subject to the regulatory authority of the Florida Public Service Commission (the "Commission"), and appropriate approval, by the Commission, of

situated and shall not be subject to removal hereunder; PROVIDED HOWEVER, that each Party shall operate and maintain said lines and facilities in such a manner as to minimize any interference with the operations of the other Party.

Section 4.2 Joint Use - The Parties hereto realize that it may be necessary, under certain circumstances and in order to carry out this Agreement, to make arrangements for the joint use of their respective Service Facilities, in such event arrangement shall be made by separate instruments incorporating standard engineering practices and providing proper clearances with respect thereto.

Section 4.3 New Facilities in Territory of Other Party - Neither Party shall construct Transmission Lines, Distribution Lines or Service Facilities in the territory of the other Party without the expressed written consent of the other Party. Express Distribution Feeders are exempt from this provision; PROVIDED, HOWEVER, that the Party shall construct, operate and maintain said Express Distribution Feeders in a safe manner so as to minimize any interference with the operation of the other Party's facilities.

#### ARTICLE V

##### PREREQUISITE APPROVAL

Section 5.1 Florida Public Service Commission - The provisions of this Agreement, are subject to the regulatory authority of the Florida Public Service Commission (the "Commission"), and appropriate approval, by the Commission, of

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the provisions of this Agreement shall be a prerequisite to the validity and applicability hereof and neither Party shall be bound hereunder until that approval has been obtained.

Section 5.2 Liability in the Event of Disapproval - In the event approval pursuant to Section 5.1 is not obtained, neither Party will have action against the other arising under this Agreement.

#### ARTICLE VI

##### DURATION

Section 6.1 - This Agreement shall continue and remain in effect until the Commission or its successor with appropriate jurisdiction, by order, modifies or withdraws its approval of this Agreement after proper notice and hearing. The Parties recognize that the Commission or its successor, with appropriate jurisdiction, has continuing jurisdiction over this Agreement, and upon proper petition pursuant to Florida law, including but not limited to Sections 366.04(2)(d) and (e), Florida Statutes, may modify its order approving this Agreement.

#### ARTICLE VII

##### RESOLUTION OF DISPUTES

Section 7.1 Resolution by a Consulting Engineer - If after 60 days of receiving notice as to the amount of money required to pay for the transfer of any Customers, Transformers and

Capacitors and related Service Facilities pursuant to Section 3.2, the Parties are unable to agree on the calculation of any payment, or are unable to agree as to any technical requirement of the contract, including any provision requiring conformance to sound and economical engineering and operating practices, the Parties shall agree upon and appoint a Consulting Engineer to resolve the dispute.

Section 7.2 Compensation of the Consulting Engineer - The compensation to be paid to the Consulting Engineer for services rendered in connection with this Agreement shall be such fees and expenses as are usually applicable to services of a similar nature. The fees shall be determined by the Consulting Engineer in accordance with its usual practice and shall be paid by the Parties, each Party paying 50% of the cost of such services.

Section 7.1 Resolution by the Circuit Court - If the Parties are unable to agree on the calculation of any payment for facilities pursuant to Section 7.1, and if CLAY and JEA are unable to agree upon the selection of a Consulting Engineer within 90 days after receiving a written request by either Party for such selection, either CLAY or JEA may, after ten (10) days written notice to the other Party of its intent to do so, petition the Circuit Court of Clay or Duval Counties, Florida, to determine the payment required in Section 3.2. In the event one or both Parties shall petition such Circuit Court for resolution a dispute as provided in this section, each Party shall pay the costs of its own legal representation, expert fees and costs of



depositions of Parties or witnesses. Court costs shall be assessed equally against the Parties.

ARTICLE VIII  
MISCELLANEOUS

Section 8.1 Negotiations - Whatever terms or conditions may have been discussed during the negotiations leading up to the execution of this Agreement, the only ones agreed upon are those set forth herein, and no alteration, modification, enlargement or supplement to this Agreement shall be binding upon either of the Parties hereto unless the same shall be in writing and hereto attached and signed by both Parties.

Section 8.2 Successors and Assigns - Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon or give to any person or corporation other than the Parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding only upon the Parties hereto and their respective representatives, successors and assigns.

Section 8.3 Notices - Notices given hereunder shall be deemed to have been given to CLAY if mailed by Certified Mail, postage prepaid, to: General Manager, Clay Electric Cooperative, Inc., Post Office Box 308, Keystone Heights, Florida 32656; and to the JEA if mailed by Certified Mail, postage prepaid, to:

Managing Director, Jacksonville Electric Authority, 21 W. Church Street, Jacksonville, Florida 32202. Such address to which such notice shall be mailed may be, at any time, changed by designating such new address and giving notice thereof in writing in the manner as herein provided.

Section 8.4 Severability - The invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceability provision were omitted.

Section 8.5 Intent and Interpretation - It is hereby declared to be the purpose and intent of this Agreement, in accordance with which all provisions of this Agreement shall be interpreted and construed, to eliminate and avoid the needless and wasteful expenditures, duplication of facilities and potentially hazardous situations, which might otherwise result from unrestrained competition between the Parties operating in overlapping service areas.

Section 8.6 Bulk Power Supply for Resale - Nothing herein shall be construed to prevent either Party from providing bulk power supply to wholesale customers for resale purposes wherever they may be located. Further, no other provision of this Agreement shall be construed as applying to bulk power supply for resale.

Section 8.7 Support & Joint Petition - Both Parties agree to jointly petition the Commission for approval of this agreement, and both Parties agree to support this agreement and the joint

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petition before the Commission, and take all reasonable steps to secure the approval of this agreement.

Section 2.3 Exhibit - All exhibits attached to this Agreement shall be incorporated herein by reference and shall become part of this Agreement as if set out herein in their entirety.

[The next page is the signature page, p. 20]

IN WITNESS WHEREOF, this Agreement has been caused to be executed in duplicate by CLAY in its name by its President, and its Corporate Seal hereto affixed by the Secretary of CLAY, and by the JEA in its name by its Managing Director, and its Seal hereto affixed and attested by its Administrative Assistant, on the day and year first above written; and one of said triplicate copies has been delivered to each of the Parties hereto.

ATTEST: CLAY ELECTRIC COOPERATIVE, INC.

(SEAL)  
BY: *Roy Wingate* Secretary BY: *Floyd Danner* President

ATTEST: JACKSONVILLE ELECTRIC AUTHORITY

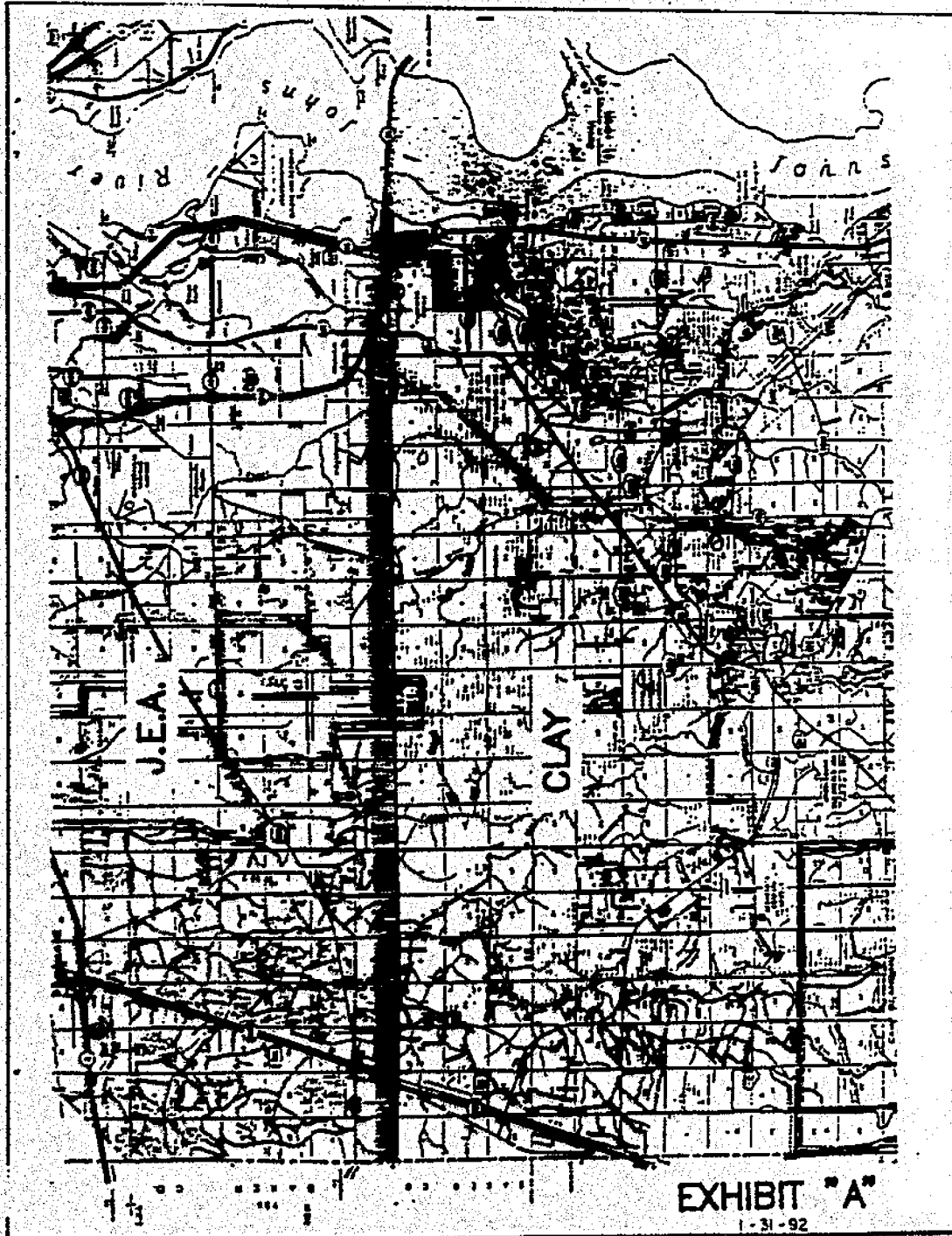
(SEAL)  
BY: *Madeline McWhorter* Administrative Assistant BY: *Roger G. [Signature]* Managing Director

Approved as to Form:  
BY: *Joice M. [Signature]* Assistant General Counsel

APPROVED: \_\_\_\_\_  
Florida Public Service Commission Date



ORDER NO. PSC-92-1208-FOF-EU  
DOCKET NO. 920202-EU  
PAGE 33



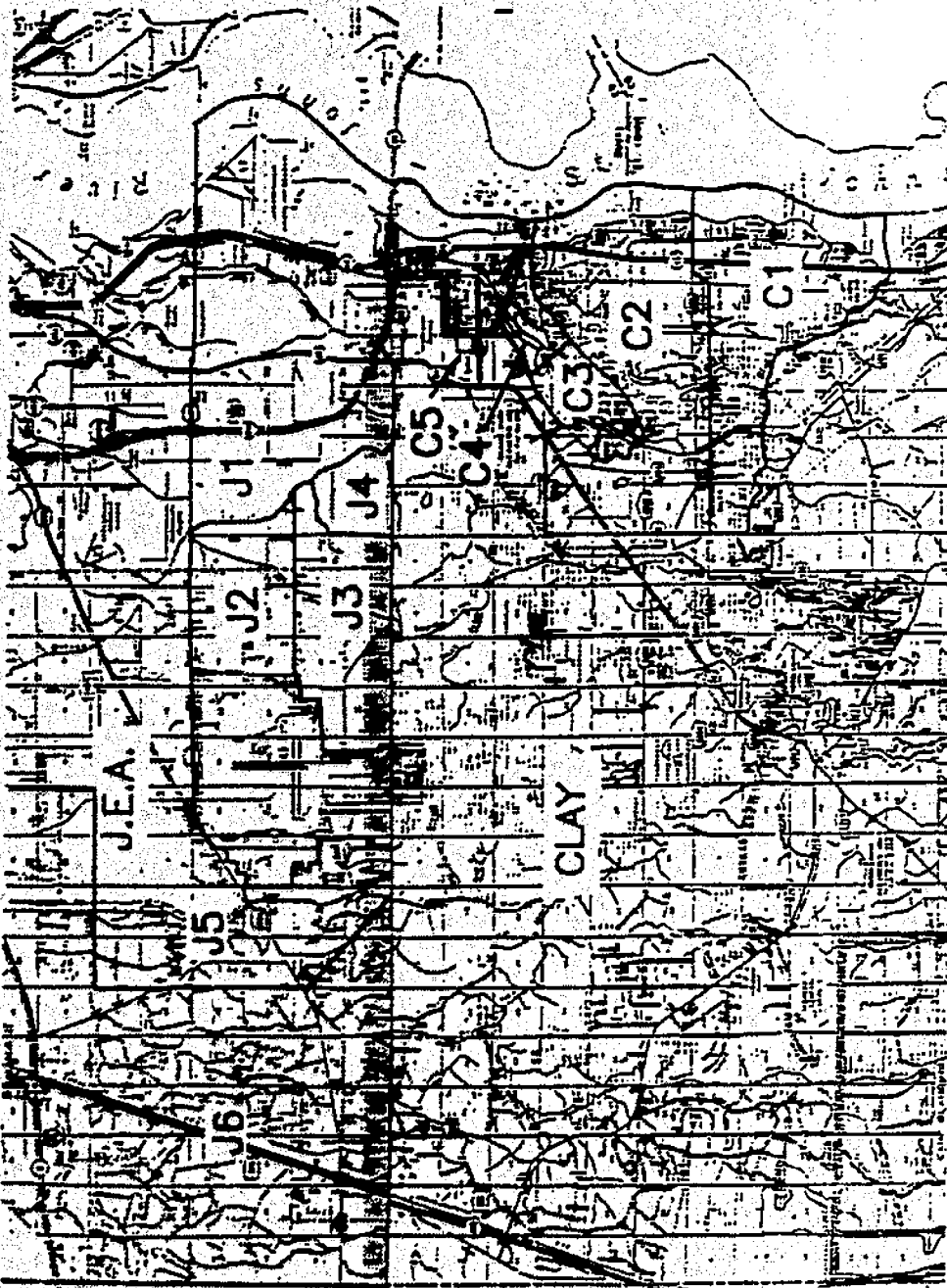


EXHIBIT "C"

CEC/JEA SERVICE AREA BOUNDARIES

OCTOBER 15, 1977

PREPARED BY JEA, REVISED BY CEC JANUARY 30, 1992

The lines of demarcation defining to each the territory of the other are depicted upon the maps appended to this Agreement, and said maps shall be a part hereof. The lines of demarcation are described as follows:

Begin at the intersection of the Duval County-Clay County coterminous border with the East border of Baker County, the same being the Southwest corner of Section 31, Township 3 South, Range 23 East; thence departing said Baker County border, in an Easterly direction, along said Duval-Clay border, also being the division line between Township 3 South and Township 4 South, to the East right of way line of Blanding Boulevard (State Road 21); thence Northeasterly along said Duval-Clay border to the Southerly right of way line of Interstate Highway 295 (State Road 9A) as now established; thence Easterly along said Southerly right of way line, to a point where the West Corporate limits of the Town of Orange Park extended Northerly intersects said Southerly right of way line; thence along said Corporate limits as it presently exists, the following 14 courses and distances: (1) Thence Southerly along the West line of the CSX Transportation System Railroad Right of Way, 5435 feet to the North line of Section 8, Map of Orange Park; (2) Thence Westerly along said North line, 1396.57 feet to the South line of Grove Park Unit 4 (Plat Book 9 Page 15); (3) Thence Westerly along said South line, 703.3 feet to the North line of Grove Park No. 3 (Plat Book 7 Page 68); (4) Thence Westerly along said North line, 1396.56 feet to the West Right of Way line of DeBarry Avenue; (5) Thence Westerly along the North line of Lots 6, 7 and 8, said Section 8, Orange Park, 1390 feet, more or less, to the North line of Bellair Unit No. 8 (Plat Book 14 Page 61); (6) Thence Westerly along said North line and continuing along the North line of Bellair Unit No. 7 (Plat Book 9 Page 10) a distance of 1392.46 feet to the Northwest corner of Section 8, Township 4 South, Range 26 East; (7) Thence Southerly along the West line of said Section, 3734.32 feet to the South line of Kingsley Avenue, and the Northeast corner of Foxwood Unit One (Plat Book 7 Page 27); (8) Thence Southerly along the East line of said Foxwood Unit One, and continuing along the West line of The Village Green Units One and Two (Plat Book 15 Pages 18 and 19) a distance of 1848.55 feet to the South line of said The Village Green Unit Two; (9) Thence along said South line the following three (3) courses; Easterly 889.72 feet, Northerly 297.56 feet, and Easterly 45.75 feet to the Northeasterly line of the lands of the Clay County Board of Public Instruction; (10) Thence Southeasterly along said Northeasterly line and continuing on a Southeasterly prolongation thereof, 1813 feet, more or less, to the Southeasterly line of Doctors Lake Drive; (11) Thence Southwesterly along said Southeasterly line, 38.28 feet; (12) Thence Southeasterly 935.76 feet to the most Westerly corner of Lot 2 Block 3, plat of The Springs (Plat Book 15 Page 3; (13) Thence Southeasterly along the Southwesterly line of said lot, 90 feet to the most Southerly corner thereof; (14) Thence South 17 degrees 07 minutes 37 seconds East, to the center of Doctors Lake; Thence Easterly along said center of Doctors Lake, and prolongation thereof, to the center of the St. Johns River.

No facet of this Agreement between JEA and Clay will be construed to infringe upon any existing territorial agreement between another utility and either party.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of ) DOCKET # 920202-EU  
a territorial agreement between )  
Clay Electric Cooperative, Inc. )  
and Jacksonville Electric )  
Authority in Clay and Duval )  
Counties. )

FIRST AMENDMENT TO TERRITORIAL AGREEMENT DATED  
FEBRUARY 27, 1992

RECEIVED  
JUN 5 1992  
PSC AND CAS

Clay Electric Cooperative, Inc. (Clay) and the Jacksonville Electric Authority (JEA), hereby amend the Territorial Agreement executed by them on February 27, 1992, and filed in this proceeding as follows:

1. Section 2.3 Interim Service is amended by adding the language: "(but no later than the deadline provided in Section 3.5)", which is inserted after the word "Customer," in the next to last line on page 6 of the agreement.

2. Article III is amended by adding a new Section 3.5 , as follows:

"Section 3.5 Deadline for All Transfers - Anything herein to the contrary notwithstanding, the transfers contemplated herein shall be completed by the parties no later than 20 years from the date this agreement is approved by the Commission, unless such deadline is extended by the Commission."

3. Article VI is amended by adding a new Section 6.2, as



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DOCKET NO. 920202-EU  
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follows:

"Section 6.2 Annual Reports - On or before the first anniversary of the date that this agreement is approved by the Commission, and annually thereafter, each party to this agreement shall file a progress report with the Commission reporting the number of customers and facilities transferred for the prior 12 months."

4. Except as modified by this amendment, the parties ratify and confirm the terms of the agreement dated February 27, 1992, subject to the prior approval of the Commission.

{The next page is the signature page, p. 3}

IN WITNESS WHEREOF, this Amendment to the Territorial Agreement dated February 27, 1992, has been caused to be executed in duplicate by CLAY in its name by its President, and its Corporate Seal hereto affixed by the Secretary of CLAY, and by JEA in its name by its Managing Director, and its Seal hereto affixed and attested by its Administrative Assistant, on the day and year stated below following each party's signature; and one of the duplicate copies has been delivered to each of the Parties hereto.

ATTEST: CLAY ELECTRIC COOPERATIVE, INC.

By: Rosa Wingate By: Harold L. Luman  
Secretary President  
(Corporate Seal) Dated: 5/12/92

ATTEST: JACKSONVILLE ELECTRIC AUTHORITY

By: Trudie M. McKeon By: Roy L. L...  
Administrative Assistant Managing Director  
(SEAL) Dated: 6/03/92

Approved as to Form:

By: Tracie M. McKeon  
Assistant General Counsel  
JEA

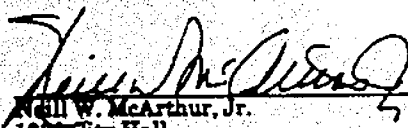
APPROVED BY THE FLORIDA PUBLIC SERVICE COMMISSION ON THE \_\_\_\_ DAY  
OF \_\_\_\_\_, 1992, ORDER NUMBER \_\_\_\_\_.

ORDER NO. PSC-92-1208-FOF-EU  
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PAGE 39

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing "FIRST AMENDMENT TO TERRITORIAL AGREEMENT DATED FEBRUARY 27, 1992" upon the below listed parties by First Class United States Mail, Postage Prepaid, this 3rd day of June 1992.

  
Neill W. McArthur, Jr.  
1300 City Hall  
220 East Bay Street  
Jacksonville, FL 32202  
Telephone: (904) 630-1700  
Florida Bar #143098

**Copies furnished to:**

Donna Canzano, Esquire  
Legal Department  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32399-0450

John H. Haswell, Esquire  
Post Office Box 23879  
Gainesville, FL 32602-3879

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of  
a territorial agreement between  
Clay Electric Cooperative, Inc.  
and Jacksonville Electric  
Authority in Clay and Duval  
Counties.

DOCKET #920202-EU

RECEIVED  
Florida Public Service Commission  
SEP 2 1992

SECOND AMENDMENT TO TERRITORIAL AGREEMENT DATED  
FEBRUARY 27, 1992

Clay Electric Cooperative, Inc. (Clay) and the Jacksonville  
Electric Authority (JEA), hereby amend the Territorial Agreement  
executed by them on February 27, 1992, as previously amended, and  
filed in this proceeding as follows:

1. Section 3.5 Is amended to read:

"Section 3.5 Deadline for All Transfers - Anything  
herein to the contrary notwithstanding, the transfers  
contemplated herein shall be completed by the parties  
no later than 15 years from the date this agreement is  
approved by the Commission, unless such deadline is  
extended by the Commission."

2. Except as modified by this amendment, the parties  
ratify and confirm the terms of the agreement dated February 27,  
1992, as previously amended subject to the prior approval of the  
Commission.

[The next page is the signature page, p. 2]



IN WITNESS WHEREOF, this Second Amendment to the Territorial Agreement dated February 27, 1992, as previously amended, has been caused to be executed in duplicate by CLAY in its name by its President, and its Corporate Seal hereto affixed by the Secretary of CLAY, and by JEA in its name by its Managing Director, and its Seal hereto affixed and attested by its Administrative Assistant, on the day and year stated below following each party's signature; and one of the duplicate copies has been delivered to each of the Parties hereto.

ATTEST:

CLAY ELECTRIC COOPERATIVE, INC.

By: *Ray G. Gignat*  
Secretary  
(Corporate Seal)

By: *Frederick H. Gann*  
President  
Dated: August 27, 1992

ATTEST:

JACKSONVILLE ELECTRIC AUTHORITY

By: *Marlene M. Higgins*  
Administrative Assistant  
(SEAL)

By: *David L. Gann*  
Managing Director  
Dated: August 24, 1992

Approved as to Form:

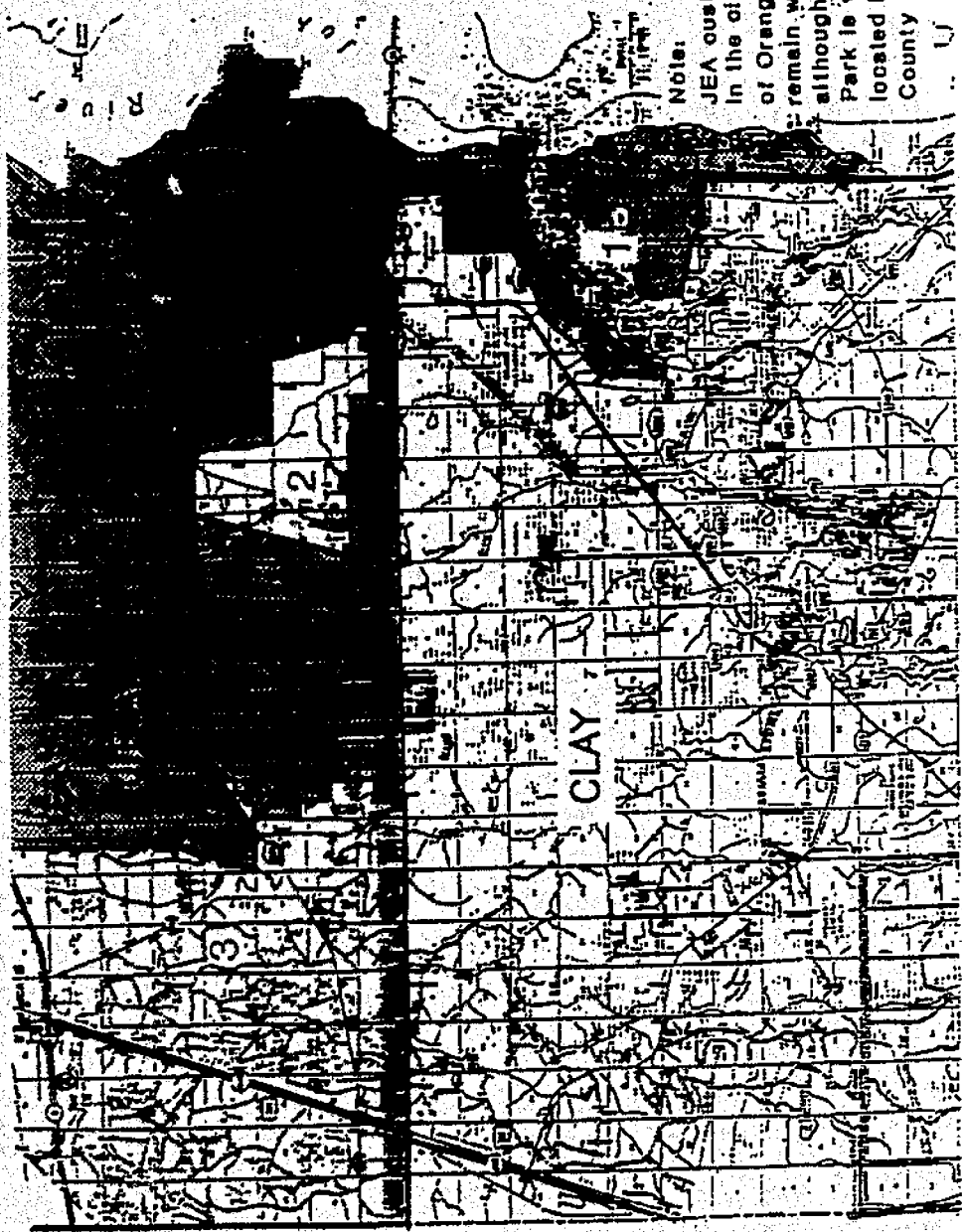
By: *Thomas R. White*  
Assistant General Counsel  
JEA

APPROVED BY THE FLORIDA PUBLIC SERVICE COMMISSION ON THE \_\_\_\_ DAY  
OF \_\_\_\_\_, 1992, ORDER NUMBER \_\_\_\_\_.

ATTACHMENT 2  
ORDER NO. PSC-92-1208-FOF-EU  
DOCKET NO. 920202-EU  
PAGE 42

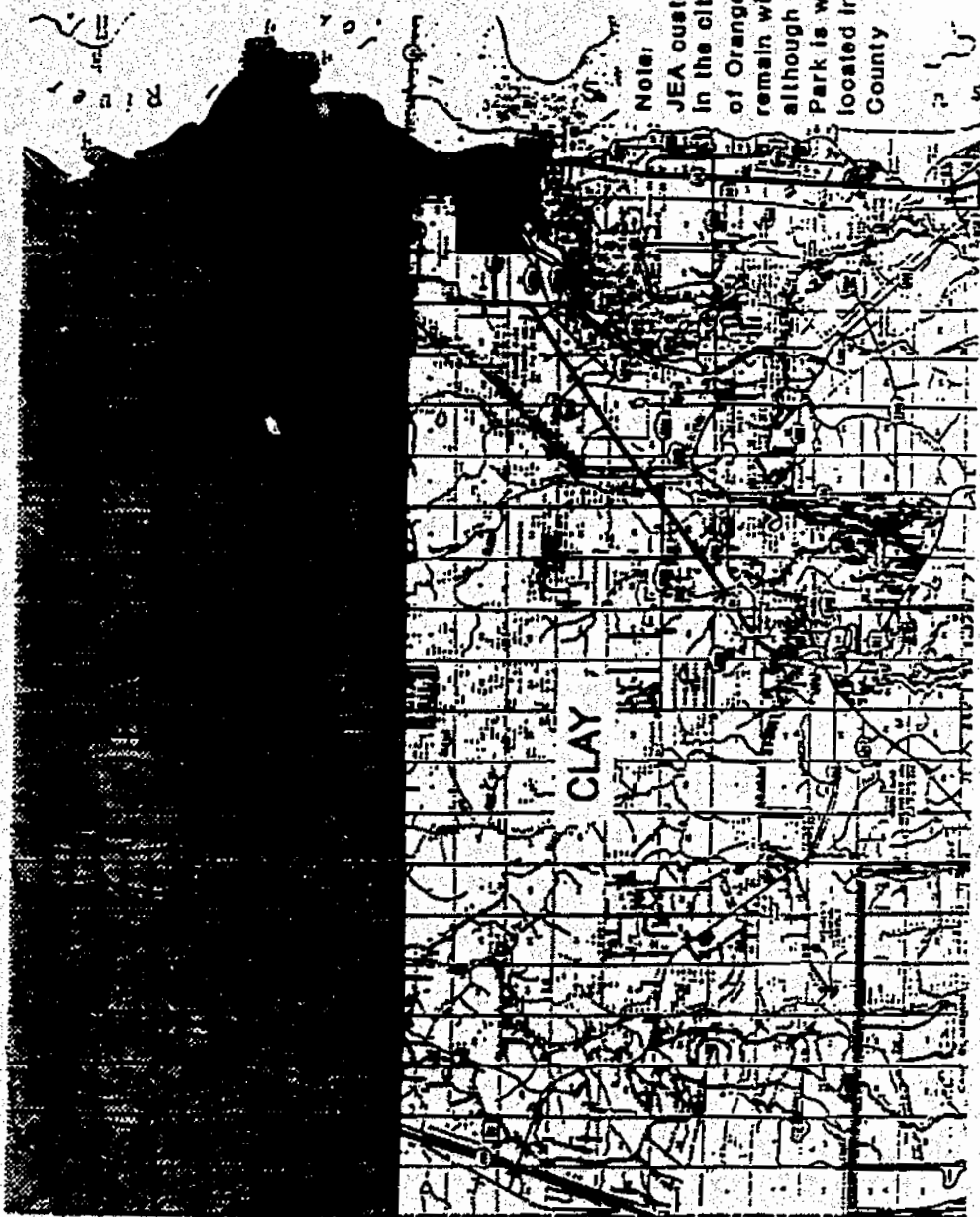
ATTACHMENT NO. 2  
Docket No. 920202-EU  
September 24, 1992  
p. 4 of 2

Note:  
JEA customers  
in the city limits  
of Orange Park will  
remain with JEA  
although Orange  
Park is wholly  
located in Clay  
County



ATTACHMENT NO. 2  
Docket No. 920202-EU  
September 24, 1992  
2 OF 2

Note:  
JEA customers  
in the city limits  
of Orange Park will  
remain with JEA  
although Orange  
Park is wholly  
located in Clay  
County



ATTACHMENT 3  
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JACKSONVILLE ELECTRIC AUTHORITY

21 WEST BARNHART STREET - JACKSONVILLE, FLORIDA 32204-2126



CURTIS STEVEN L  
4044 GAY RD  
ORANGE PARK FL 32065

August 10, 1992

Dear Customer:

Last March, we informed our customers in Clay County that their electric service was located in an area which was included in a proposed territory boundary agreement between the Jacksonville Electric Authority (JEA) and Clay Electric Cooperative (Clay Electric).

This agreement, which has been approved by the respective boards of JEA and Clay Electric, is currently being considered by the Florida Public Service Commission (FPSC). It provides for all electric services in Clay County now served by JEA, except the Town of Orange Park, to become subject to future transfer to Clay Electric. Likewise, all electric services in Duval County now served by Clay Electric would become subject to future transfer to JEA.

The proposed agreement will help both utilities provide the most economical and efficient electric service to our customers in Clay and Duval counties.

The FPSC has requested that JEA and Clay Electric provide a copy of their respective electric rates to all customers that would be affected by the proposed territory boundary agreement. Enclosed with this letter is a comparison of Residential cost at 1000KWH.

I trust the enclosed information proves beneficial. Should you have any questions, please give us a call at our Customer Business Office (632-5200).

Sincerely,

A handwritten signature in dark ink, appearing to read "Royce Lyles". The signature is written in a cursive, flowing style.

Royce Lyles  
Managing Director



RATE COMPARISON FOR 1000KWH CONSUMPTION  
BY RESIDENTIAL CUSTOMER  
IN UNINCORPORATED CLAY COUNTY  
AUGUST 1992

JACKSONVILLE ELECTRIC AUTHORITY

Charges Per 1000KWH	\$69.15	
Florida Gross Receipts Tax	1.89	
Clay County Franchise Fee	<u>4.53</u>	
Total		\$75.57

CLAY ELECTRIC COOPERATIVE, INC.

Charges Per 1000KWH	\$79.50	
Florida Gross Receipts Tax	<u>2.04</u>	
Total		\$81.54

Load Management Credit Level I	\$81.54	
	<u>-7.00</u>	
Total		\$74.54

Load Management Credit Level II	\$81.54	
	<u>-12.00</u>	
Total		\$69.54

Load Management is a program available to all residential accounts that use a minimum of 500KWH a month. Approximately 30,000 Clay Electric residential customers receive Load Management credits on their electric bill each month.

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## Jacksonville Electric Authority



21 WEST CHURCH STREET • JACKSONVILLE, FLORIDA 32202  
August 10, 1992

Kingsley Service Company  
1279 Kingsley Avenue  
Suite 120  
Orange Park, FL 32073

Dear Customer:

Last March, we informed our customers in Clay County that their electric service was located in an area which was included in a proposed territory boundary agreement between the Jacksonville Electric Authority (JEA) and Clay Electric Cooperative (Clay Electric).

This agreement, which has been approved by the respective boards of JEA and Clay Electric, is currently being considered by the Florida Public Service Commission (FPSC). It provides for all electric services in Clay County now served by JEA, except the Town of Orange Park, to become subject to future transfer to Clay Electric. Likewise, all electric services in Duval County now served by Clay Electric would become subject to future transfer to JEA.

The proposed agreement will help both utilities provide the most economical and efficient electric service to our customers in Clay and Duval counties.

The FPSC has requested that JEA and Clay Electric provide a copy of their respective electric rates to all customers that would be affected by the proposed territory boundary agreement. Enclosed with this letter is a comparison of your General Service Demand accounts based on your historical average consumption.

I trust the enclosed information proves beneficial. Should you have any questions, please call C. A. Wilkerson at 632-6121.

Sincerely,

*Richard Bonfante*

for Royce Lyles  
Managing Director

RL/yi

RATE COMPARISON FOR  
FOR AVERAGE CONSUMPTION  
IN UNINCORPORATED CLAY COUNTY.

AUGUST 1992

SERVICE ADDRESS: 2970 Greenridge Road, Orange Park, FL 32073  
RATE SCHEDULE: ( ) General Service w/Primary Service Discount  
(X) General Service Demand  
( ) General Service Demand w/Primary Service Discount

AVERAGE CONSUMPTION/DEMAND 30.787 KWH/ 129 KW

JACKSONVILLE ELECTRIC AUTHORITY

Total Electric Charge	\$1608.47	
Florida Gross Receipts Tax	43.95	
Franchise Fee	105.47	
Florida Sales Tax	<u>140.63</u>	
Total Monthly Bill		\$1898.52

CLAY ELECTRIC COOPERATIVE

Energy Bill	\$1742.32	
Florida Gross Receipts Tax	44.65	
Florida Sales Tax	<u>142.96</u>	
Total Monthly Bill		\$1929.93

RATE COMPARISON FOR  
FOR AVERAGE CONSUMPTION  
IN UNINCORPORATED CLAY COUNTY  
AUGUST 1992

SERVICE ADDRESS: 6572 Bahia Road, Orange Park, FL 32043  
RATE SCHEDULE ( ) General Service w/Primary Service Discount  
(X) General Service Demand  
( ) General Service Demand w/Primary Service Discount

AVERAGE CONSUMPTION/DEMAND \$4.293 KWH/ 153 KW

<u>JACKSONVILLE ELECTRIC AUTHORITY</u>	
Total Electric Charge	\$3886.29
Florida Gross Receipts Tax	106.18
Franchise Fee	254.84
Florida Sales Tax	<u>339.78</u>
Total Monthly Bill	\$4587.09
<u>CLAY ELECTRIC COOPERATIVE</u>	
Energy Bill	\$4351.31
Florida Gross Receipts Tax	111.50
Florida Sales Tax	<u>357.02</u>
Total Monthly Bill	\$4819.83



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## Jacksonville Electric Authority



21 WEST CHURCH STREET • JACKSONVILLE, FLORIDA 32202  
August 10, 1992

Berean Baptist Church  
4459 U.S. Highway 17 South  
Orange Park, FL 32067

Dear Customer:

Last March, we informed our customers in Clay County that their electric service was located in an area which was included in a proposed territory boundary agreement between the Jacksonville Electric Authority (JEA) and Clay Electric Cooperative (Clay Electric).

This agreement, which has been approved by the respective boards of JEA and Clay Electric, is currently being considered by the Florida Public Service Commission (FPSC). It provides for all electric services in Clay County now served by JEA, except the Town of Orange Park, to become subject to future transfer to Clay Electric. Likewise, all electric services in Duval County now served by Clay Electric would become subject to future transfer to JEA.

The proposed agreement will help both utilities provide the most economical and efficient electric service to our customers in Clay and Duval counties.

The FPSC has requested that JEA and Clay Electric provide a copy of their respective electric rates to all customers that would be affected by the proposed territory boundary agreement. Enclosed with this letter is a comparison of your General Service and General Service Demand accounts based on your historical average consumption.

I trust the enclosed information proves beneficial. Should you have any questions, please call C. A. Wilkerson at 632-6121.

Sincerely,

*Royce Lyles*  
for  
Royce Lyles  
Managing Director

RL/y1

RATE COMPARISON FOR  
FOR AVERAGE CONSUMPTION  
IN UNINCORPORATED CLAY COUNTY  
AUGUST 1992

SERVICE ADDRESS: 4459 U.S. Highway 17, Orange Park, FL 32067

RATE SCHEDULE: (X) General Service w/Primary Service  
Discount  
( ) General Service Demand  
( ) General Service Demand w/Primary Service  
Discount

AVERAGE CONSUMPTION/DEMAND 7133 KWH/ N/A KW

JACKSONVILLE ELECTRIC AUTHORITY

Total Electric Charge	\$487.62	
Florida Gross Receipts Tax	13.32	
Franchise Fee	31.98	
Florida Sales Tax	<u>42.61</u>	
Total Monthly Bill		\$575.55

CLAY ELECTRIC COOPERATIVE

Energy Bill	\$544.86	
Florida Gross Receipts Tax	13.96	
Florida Sales Tax	<u>44.71</u>	
Total Monthly Bill		\$603.53

RESIDENTIAL RATES  
AUGUST 1992

CLAY ELECTRIC COOPERATIVE INC.

CHARGES FOR 1000 kWh	\$79.50	
FLORIDA GROSS RECEIPTS TAX	2.04	
MUNICIPAL TAX	<u>5.22</u>	
TOTAL	\$87.76	\$87.76
CHARGES FOR 1000 kWh	\$79.50	
*LOAD MANAGEMENT CREDIT LEVEL I	-7.00	
FLORIDA GROSS RECEIPTS TAX	1.86	
MUNICIPAL TAX	<u>5.52</u>	
TOTAL	\$78.88	\$78.88
CHARGES FOR 1000 kWh	\$79.50	
*LOAD MANAGEMENT CREDIT LEVEL II	-12.00	
FLORIDA GROSS RECEIPTS TAX	1.73	
MUNICIPAL TAX	<u>5.02</u>	
TOTAL	\$74.25	\$74.25

\*LOAD MANAGEMENT IS A PROGRAM AVAILABLE TO ALL RESIDENTIAL ACCOUNTS THAT USE A MINIMUM OF 500 kWh A MONTH. APPROXIMATELY 30,000 CLAY ELECTRIC RESIDENTIAL CUSTOMERS RECEIVE LOAD MANAGEMENT CREDITS ON THEIR ELECTRIC BILL EACH MONTH.

JACKSONVILLE ELECTRIC AUTHORITY

RESIDENTIAL

CHARGES FOR 1000 kWh	\$89.15	
FLORIDA GROSS RECEIPTS TAX	1.77	
PUBLIC SERVICE (MUNICIPAL) TAX	<u>5.49</u>	
TOTAL	\$96.41	\$96.41

*To be mailed Aug 10<sup>th</sup> To Clay Customers (Residential)  
in Duval County*

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RATE COMPARISON FOR  
FOR AVERAGE CONSUMPTION  
IN UNINCORPORATED CLAY COUNTY  
AUGUST 1992

SERVICE ADDRESS: 4459 U.S. Highway 17 S. Orange Park, FL,  
32067

RATE SCHEDULE: ( ) General Service w/Primary Service Discount  
(X) General Service Demand  
( ) General Service Demand w/Primary Service  
Discount

AVERAGE CONSUMPTION/DEMAND 10.867 KWH/ 69 KW

JACKSONVILLE ELECTRIC AUTHORITY

Total Electric Charge	\$878.98	
Florida Gross Receipts Tax	24.02	
Franchise Fee	57.64	
Florida Sales Tax	<u>76.85</u>	
Total Monthly Bill		\$1036.49

CLAY ELECTRIC COOPERATIVE

Energy Bill	\$950.45	
Florida Gross Receipts Tax	24.36	
Florida Sales Tax	<u>77.98</u>	
Total Monthly Bill		\$1052.79



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Clay Electric Cooperative, Inc.  
P.O. Box 308  
Keystone Heights, Florida 32856-0308  
(904) 473-4911

August 10, 1992

Dear Customer:

Last March, we informed our customers in Duval County that their electric service was located in an area which was included in a proposed territory boundary agreement between Clay Electric Cooperative (Clay Electric) and the Jacksonville Electric Authority (JEA).

This agreement, which has been approved by the respective boards of Clay Electric and JEA, is currently being considered by the Florida Public Service Commission (FPSC). It provides for all electric services in Duval County now served by Clay Electric, to become subject to future transfer to JEA. Likewise, all JEA electric services in Clay County would become subject to future transfer to Clay Electric, except the Town of Orange Park.

The proposed agreement will help both utilities provide the most economical and efficient electric service to our customers in Clay and Duval counties.

The FPSC has requested that Clay Electric and JEA provide a copy of their respective electric rates to customers that would be affected by the proposed territory boundary agreement. Enclosed with this letter is a comparison of Residential cost at 1000 kWh.

I trust the enclosed information proves beneficial. Should you have any questions, please give us a call at our district office in Orange Park (272-2456).

Sincerely,

William C. Phillips  
General Manager

WCP/jp

Enclosure

CLAY/JEA RESIDENTIAL RATE COMPARISON  
 (ATTACHMENT 2, AREA 1)

UTILITY	KWH						
	250	475	500	1000	1500	2000	2500
JEA	\$21.85	\$36.64	\$36.40	\$60.86	\$104.20	\$136.83	\$170.31
*JEA	\$23.40	\$38.06	\$46.00	\$73.46	\$110.36	\$145.14	\$178.83
CLAY	\$27.30	\$43.58	\$45.36	\$84.28	\$123.02	\$164.51	\$206.00
**CLAY	\$27.30	\$43.58	\$36.72	\$77.28	\$115.84	\$157.33	\$198.82
***CLAY	\$27.30	\$43.58	\$33.00	\$72.28	\$110.72	\$152.20	\$183.68

\* 8% FRANCHISE FEE ADDED TO JEA'S CUSTOMERS CURRENTLY LOCATED IN CLAY COUNTY.  
 \* LOAD MANAGEMENT LEVEL 1 CREDIT  
 \*\*\* LOAD MANAGEMENT LEVEL 2 CREDIT

CLAY/JEA RESIDENTIAL RATE COMPARISON  
 (ATTACHMENT 2, AREAS 2 AND 3)

UTILITY	KWH						
	250	475	500	1000	1500	2000	2500
JEA	\$21.85	\$36.64	\$36.40	\$60.86	\$104.20	\$136.83	\$170.31
CLAY	\$27.30	\$43.58	\$45.36	\$84.28	\$123.02	\$164.51	\$206.00
**CLAY	\$27.30	\$43.58	\$36.72	\$77.28	\$115.84	\$157.33	\$198.82
***CLAY	\$27.30	\$43.58	\$33.00	\$72.28	\$110.72	\$152.20	\$183.68

\* LOAD MANAGEMENT LEVEL 1 CREDIT  
 \*\* LOAD MANAGEMENT LEVEL 2 CREDIT

NOTE: THE CITY OF JACKSONVILLE COLLECTS A 10% UTILITY TAX FROM ALL RATEPAYERS  
 IN BUNN COUNTY.