BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Territorial Dispute

Between Clay Electric

Cooperative, Inc. and the City of Alachua, in Alachua County, Florida

DOCKET NO. 930655-EU

ORDER NO. PSC-94-0861-AS-EU

ISSUED: 07/18/94

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK JULIA L. JOHNSON DIANE K. KIESLING

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 substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On July 6, 1993, Clay Electric Cooperative, Inc. (Clay) filed a Petition to Resolve a Territorial Dispute with the City of Alachua (Alachua), a municipal electric distribution utility. The dispute arose when Alachua constructed electric facilities to serve a customer, Personalized Programming, in Alachua County. The petition alleged that the customer was located wholly within Clay's historic service area. The petition went on to allege that the area of dispute included all areas where Clay served within Alachua's city limits.

In September of 1993 we granted the parties a suspension of the case schedule to provide additional time to negotiate a resolution of their dispute; and on January 4, 1994, the parties filed a Joint Petition for Approval of a Territorial Agreement.

The agreement the parties first filed allocated to Alachua certain pieces of territory that Clay had allocated to other utilities, specifically Florida Power Corporation (FPC) and Gainesville Regional Utilities (GRU), in previous territorial

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agreements that we had approved. Alachua was not a party to the previous territorial agreement proceedings, and FPC and GRU were not parties to this proceeding.

After several discussions with our staff and at our Agenda Conference, the parties amended their agreement and their territorial map to address the questionable areas. The amended agreement asserts that it is not designed to establish the City of Alachua's right to serve in the those areas with respect to GRU and FPC, and it affirms Clay's agreement with GRU, FPC, and Alachua that Clay will not serve in those areas. A copy of the agreement and the amendment is attached to this order. (Attachment A).

The agreement proposes to transfer service to the 141 customers listed on Exhibit "C" of the agreement from Clay to Alachua upon request of the Customer or at such time a "Change in Use", as defined in Section 1.12, occurs. The parties agree to file annual reports denoting the status of the transfer of customers listed on Exhibit "C". These reports will allow the Commission to monitor the transfers during the transition period as provided in Section 2.3 of the agreement.

If either party wishes to purchase distribution facilities located within the other party's service area, Section 2.6 of the agreement provides a method for calculating the purchase amount.

The Clay/Alachua agreement provides that it shall go into effect only after Commission approval has been obtained. The agreement will remain in effect until we modify it, on the petition of either utility, or on our own motion. Section 2.2 of the agreement states that neither utility will knowingly serve or attempt to serve any new customer whose end-use facilities are located within the territorial area of the other utility, except upon written request in the case of exceptional circumstances,

Docket No. 900064-EU, Order No. 24312, Petition to resolve territorial dispute between Clay Electric Cooperative, Inc. and Florida Power Corporation.

Docket No. 861025-EU, Order No. 16968, Joint petition of CLAY Electric Cooperative, Inc. and the City of Gainesville for approval of territorial agreement.

Docket No. 870321-EU, Order No. 17556, Joint petition for approval of 1st amendment to territorial agreement between Clay Electric Cooperative, Inc. and the City of Gainesville.

economic constraints, good engineering practices, or system planning. We find that if interim service lasts or is expected to last for more than one year, that service must be approved by the Commission. In addition, if either Clay or Alachua wishes to make a permanent boundary change, they must seek prior approval from us.

We find that the territorial agreement, as amended, complies with Commission rules and policy, adheres to the intent of Section 366.04, Florida Statutes, and is otherwise in the public interest. Because the agreement does not, as between Alachua and GRU and Alachua and FPC, establish who has the right to serve in the areas in question, the possibility of conflict between those utilities remains. Therefore, we will require the City of Alachua to submit a report to us within 120 days identifying any potential territorial conflict with GRU and FPC, and proposing a means to resolve it. The report should be filed with the Clerk's office and the Division of Electric and Gas.

It is therefore,

ORDERED that the Proposed Territorial Agreement between Clay Electric Cooperative and the City of Alachua, as amended, is approved for the reasons set out in the body of this Order. It is further

ORDERED that the City of Alachua shall, within 120 days of the date this Order is issued, file a report with the Director of Records and Reporting and the Electric and Gas Division identifying any potential territorial conflict with GRU and FPC in the shaded areas identified in the revised maps incorporated in the amended territorial agreement. The report shall also propose means to resolve any conflict. It is further

ORDERED that this docket shall be closed if no substantially affected person timely files a protest to the Commission's proposed agency action.

This recommendation is consistent with the Commission decision in Order No. PSC-93-0998-FOF-EU, issued July 9, 1993 in Docket No. 930360-EU - Joint Petition for Approval of Territorial Agreement Between Florida Power Corporation and Sumter Electric Cooperative, Inc.

By ORDER of the Florida Public Service Commission, this <u>18th</u> day of <u>July</u>, <u>1994</u>.

BLANCA S. BAYO, Director
Division of Records and Reporting

by: Chief, Bureau of Records

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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.

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, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on August 8, 1994.

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.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Clay Electric Cooperative, Inc. and
The City of Alachua, in Alachua County,)
Florida.

JOINT PETITION FOR APPROVAL OF A TERRITORIAL AGREEMENT AND SUSPENSION OF TERRITORIAL DISPUTE ORDER OF PROCEDURE

CLAY ELECTRIC COOPERATIVE, INC. (Clay) and the CITY OF ALACEUA (City), the owner and operator of a municipal electric utility, have entered into a territorial agreement dated December 20, 1993, subject to the approval of the Florida Public Service Commission (Commission) and said agreement is herewith submitted for approval.

The names and addresses of the parties are:

Clay Electric Cooperative Inc. Attention: Milliam C. Phillips, General Manager Post Office Box 108 Keystone Heights, FL 12656 (904) 473-4911 City of Alachue Attention: Charles M. Morris, City Manager P. O. Box 9 Alacnue, FL 32615-0009 (904) 462-1231

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

John R. Haswell, Esquire CHANDLER, LANG : RASWELL, P.A. Post Office Box 23879 Gainesville, FL 32602 (904) 376-5226 Frederick H. Bryant, Esquire Hoors, Williams, Bryant, Peebles, 4 Gautier, P.A. Post Office Box 1169 Tallahassee, FL 32302 (904) 222-5510

Neil A. Helphurs, Esquire City Attorney City of Alactus Post Office Box 9 Alactus, FL 12615-0009 (904) 462-1231

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

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clay/City of Alachus; Docket No. 130675-EU
Joint Petition for Approval of a Territorial Agreement
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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 existing under Chapter 425, Florida Statutes, and Title-7, Chapter 31, United States Code, and is an electric utility as defined in Chapter 366.02(2).
- 5. The City 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 the City have entered into a territorial agreement, subject to the Commission's approval, dated December 20, 1993, 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. The territorial agreement has been entered into by the parties after lengthy deliberation and consideration of the best interests of the electric customers of the two utilities and the citizens of Alachua County served by both parties, and represents an attempt to prevent unreasonable, uneconomic, 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 interest of the public.

Clay/City of Alachus; Docket No. 330655-ED

Joint Petition for Approval of a Territorial Agreement
and Suspension of Territorial Dispute Order of Projecture

Proposition of Territorial Dispute Order of Projecture

- 9. The territorial agreement does not provide for the transfer of any existing customers, and it is contemplated that the transfer of customers from Clay to the City will occur gradually over time in accordance with the change in use provisions of the agreement.
- 10. There will be no customers of the City transferred to Clay. All transfers will be from Clay to the City, and existing customers of Clay will not be transferred unless they request it, as provided in the agreement.
- 11. 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. Since no existing customers of either utility are to be transferred, there are no affected customers to be notified pursuant to Rule 25-6.0440, FAC.
- 13. The parties recognize that upon approval of this agreement, any modifications, changes or amendments must be approved by the Commission.
- 14. The parties represent that approval of this agreement will not cause a decrease in the reliability of electric service to the existing and future rate payers of either utility and there is reasonable likelihood that this agreement will eliminate uneconomic duplication of facilities and will promote the Commission's stated

Clay/City of Alachua; Docket No. 930655-EU
Joint Patition for Approval of a Territorial Agraement
and Suspension of Territorial Disputs Order of Procedure

Page 4 :

policy of encouraging territorial agreements between and among Florida's electric utilities.

WHEREFORE, Clay and the City respectfully requests that the Commission enter an order approving the territorial agreement entered into between the parties dated December 20, 1993.

Respectfully submitted,

John E. Haswell, Esquire CEANDLER LANG & HASWELL, 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.

Neil A. Malphurs, Esquire

City Attorney // City of Alachua

Post Office Box 9

Alachua, FL 32615-0009

(904) 462-1231

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Frederick M. Bryant, Esquire Moore, Williams, Bryant, Peebles,

& Gautier, P.A. Post Office Box 1169

Tallahassee, FL 32302

(904) 222-5510

Florida Bar No. 0126370

Attorneys for the City of Alachua

Clay/City of Alachua; Docket No. 120655-EU Joint Petition for Approval of a Territorial Agreement and Suspension of Territorial Dispute Order of Procedure Page 5

CERTIFICATE OF SERVICE

I EFPERY CERTIFY that a copy of the foregoing has been served upon Martha Carter Brown, Esquire, Florida Public Service' Commission, 101 East Gaines Street, Tallahassee, FL 32301, by U.S. Mail this day of December, 1993

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of Counsel

TERRITORIAL AGREEMENT

BETWEEN

CLAY ELECTRIC COOPERATIVE, INC.

AND

THE CITY OF ALACHUA

DECEMBER 20, 1993

CEC/Alachua/111493/JEE

DOCUMENT NUMBER-DATE

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Section 0.2 WHEREAS, the Cooperative 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 Alachua County, Florida and elsewhere; and

Section 0.3 WHEREAS, the City, by virtue of the laws of Florida, is authorized and empowered to furnish electricity and power to persons, firms and corporations in the County of Alachua, State of Florida, and pursuant to such authority presently furnishes electricity and power to customers in areas of Alachua County, Florida; and

Section 0.4 WHEREAS, the respective areas of service of the parties hereto are contiguous in many places in Alachua County,

with the result that in the future duplication of service

Territorial Agreement; and

Section 0.5 WEERPAS, the Florida Public Service Commission (herein called the "Commission"), has previously recognized that any such duplication of service facilities may result in needless and wasteful expenditures, and may create hazardous situations; both being detrimental to the public interest; and

Section 0.5 WHEREAS, the Commission is empowered by Section 366.04(2)(d), Florida Statutes, to approve and enforce territorial agreements between electric utilities, and has recognized the wisdom of such agreements to avoid unnecessary and uneconomic duplication of electric facilities, and costly disputes over service areas, and that such agreements are in the public interest; and

Section 0.7 WHEREAS, the parties hereto desire to avoid and eliminate the circumstances that may give rise to the aforesaid duplications, hazards, and costly expenditures, and to that end desire to establish territorial boundaries; and

Section 0.8 WHEREAS, in order to accomplish said area allocation the parties have delineated boundary lines in portions of Alachua County, hereinafter referred to as "Boundary Lines", and said

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boundary lines define and delineate the retail service areas of the

Section 0.9 NOW, THEREFORE, in fulfillment of the purposes and desires aforesaid, and in consideration of the mutual covenants 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 Lines - As used herein, the term "Territorial Boundary Lines" shall mean boundary lines which delineate the geographic areas on the county map attached hereto as Exhibit "A" and which differentiate and divide the Cooperative Territorial Area from the City Territorial Area as more particularly described in the legal description attached hereto and marked Exhibit "B". In the event of any discrepancy between Exhibit "A" and Exhibit "B", Exhibit "E" shall prevail.

Section 1.2 Cooperative Territorial Areas - As used herein, the "Cooperative" Territorial Areas shall mean the geographic areas shown as Exhibit "A" as lying outside the delineated areas and labeled "Cooperative".

Section 1.3 City Territorial Areas - As used herein, the term

Exhibit "A" as lying inside the delineated areas and labeled "City".

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 69 ky.

Section 1.5 Express Distribution Feeders - As used herein, the "Express Distribution Feeder" shall mean a three phase line, at distribution voltage, that transports power through the other party's Territorial Area but serves no retail load within such Territorial Area.

Section 1.6 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 69 kv or higher.

Section 1.7 Customers - As used herein, the term "Customer" shall mean a customer or consumer of either party.

Section 1.8 New Customers - As used herein, the term "New Customers" shall mean all retail electric customers applying for

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service to either the City or Cooperative after the effective date

Section 1.9 Existing Customers - As used herein, the term "Existing Customers" shall mean all retail electric customers receiving service on or before the effective date of this agreement from either party.

Section 1.10 Annexed Area - As used herein, the term "Annexed Area" shall mean any area presently located in Clay's territorial area and subsequently annexed by and into the City of Alachua, after the effective date of this Agreement.

<u>Section 1.11 End Use Facilities</u> - As used herein, the term "End Use Facilities" shall mean a geographic location where the electric energy used by a customer is ultimately consumed.

Section 1.12 Change in Use - As used in this Agreement, the term "Change in Use" shall mean: (1) change in the use of real property from residential to business or business to residential; (2) a change in the use of real property that would normally require a reclassification of service under the applicable tariff of either party; (3) a change in the use of real property that results in the addition of three or more meters during the term of this Agreement; or (4) a change in the use of real property by reason of a change in the ownership or occupancy thereof to any Person other than a

surviving or divorced spouse of an Existing Customer who received

ARTICLE II AREA ALLOCATIONS AND NEW CUSTOMERS

Section 2.1 Territorial Allocations - Except as otherwise specifically provided herein, during the term of this Agreement, the Cooperative shall have the exclusive authority to furnish retail electric service to End Use Facilities within the Cooperative Territorial Area and the City shall have the exclusive authority to furnish retail electric service to End Use Facilities within the City Territorial Area.

Section 2.2 Service to New Customers - The parties agree that neither of them will knowingly serve or attempt to serve any New Customer whose End Use Facilities are located within the Territorial Area of the other party, except as specifically provided in this Section of the Agreement.

The parties recognize that exceptional circumstances, economic constraints, good engineering practices, and system planning may indicate that a customer should not be immediately served by the party in whose territorial area the customer's End Use Facilities are located, until some time in the future. In such an event, a party may, in its discretion, request the other party to provide service to the New Customer on an interim basis. Such request

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shall be made in writing and the other party shall promptly notify

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 the requesting party shall, thereafter, furnish service to the New Customer.

In the event that a New Customer or prospective New Customer requests or applies for service from either Party to be provided to End Use Facilities located in the Territorial Area of the other party, the party receiving such a request or application shall refer the New Customer or prospective New Customer to the other party with citation to this Agreement as approved by the Commission, and shall notify the other party of such request or application. Thereafter the parties shall abide by the rights and obligations and Territorial Areas assigned to them under this Agreement, and no attempt, permanent or temporary shall be made to provide service to such customer, except in accordance with this Agreement, or until an order of the Commission is entered, after notice and hearing, that would change the rights and obligations of the parties.

Section 2.3 Transition Period - In order to minimize inconvenience

control of the contro Existing Customers listed on Exhibit "C" as provided in this Section of this Agreement, even though the location at which they are using electric service shall be located in the Territorial Area of the other party effective upon the approval of this Agreement by the Commission. Each of such Existing Customers and the party by which they are presently served are listed on Exhibit "C" attached to and made a part of this Agreement. This Section of this Agreement shall also apply to additional requirements for electric service by Existing Customers listed on Exhibit "C" at their existing locations, subject to the "Change in Use" limitations set forth below. Existing Customers listed on Exhibit "C" may request to become customers of the other party at any time after approval of this agreement by the Commission. In addition, Existing Customers listed on Exhibit "C" shall be transferred to the other party (in whose territory they lie) whenever there is a "Change in Use." In either event, the parties agree that such customer shall be transferred as soon as is reasonably practicable.

Section 2.4 Bulk Power for Resale - Nothing herein shall be construed to prevent either party from providing a bulk power supply for resale purposes to any other electric utility or person regardless of where such other electric utility or Person may be located. Further, no other Section or provision of this Agreement

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shall be construed as applying to a bulk power supply for resale

Section 2.5 Service Areas of Other Utilities - This Agreement between the Cooperative and the City does not constitute an agreement on or allocation of any geographic area of Alachua County that is currently being provided electric service by the City of Gainesville, and Florida Power Corporation, or any other utility that is not a party to this Agreement.

Section 2.6 Compensation for Facilities - In the event that either party desires to purchase from the other party distribution service facilities located within its Territorial Area and the other party is willing to sell these Facilities, the other party shall be compensated based on the then current replacement cost less depreciation calculated on a thirty (30) year straight line basis.

ARTICLE III

OPERATION AND MAINTENANCE

Section 3.1 Facilities to Remain - All generating plants, transmission lines, substations, 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

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service areas, shall be allowed to remain where situated and shall

using such facilities; PROVIDED, MONEYOW, 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 3.2 Express Distribution Feeders - Either party may erect and/or operate Express Distribution Feeders in the Territorial Area of the other party; PROVIDED, HOWEVER, that the party shall construct, operate and maintain said Express Distribution Feeders in a same manner so as to minimize any interference with the operation of the other party's facilities.

Section 3.3 Transmission Lines - Either party may erect and/or operate Transmission Lines in the territorial area of the other party; PROVIDED, HOWEVER, that the party shall construct, operate and maintain said Transmission Lines in a safe manner so as to minimize any interference with the operation of the other party's facilities.

Section 3.4 Facilities to be Served - Nothing herein shall be construed to prevent or in any way inhibit the right and authority of the City or Clay to serve any end use facility owned and operated by the City or Clay wheresoever they may be located and for such purpose to construct all necessary lines and facilities; PROVIDED, HOWEVER, that such party shall construct, operate and

maintain said lines and facilities in such manner as to minimize

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facilities.

ARTICLE IV

ANNEXATIONS

Section 4.1 Annexed Areas - In the event any portion of the area outside the City Territorial Area and within the Cooperative's Territorial Area is in the city limits or is subsequently annexed by and into the city limits of the City, the City may impose a franchise fee with respect to such areas upon reasonable terms and conditions, but the City shall have no right to acquire by eminent domain, condemnation, or otherwise any customers or facilities of the Cooperative in any portion designated as Clay Territorial Area. The Cooperative shall have the right to continue service to its Existing and New customers in any area annexed by the City.

ARTICLE V

PREREQUISITE APPROVAL

<u>Section 5.1 Florida Public Service Commission</u> - The provisions of this Agreement, are subject to the regulatory authority of the Florida Public Service Commission, and appropriate approval by that body of 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. Each party

torevocably, and another complete constitutions and contents when

Commission to approve this agreement.

Section 5.2 Liability in the Absence of Approval - In the event approval pursuant to Section 5.1 is not obtained, neither party will have any cause of 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.

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, the parties to this Agreement shall file a report with the Commission reporting on the status of the customers

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shown on Exhibit "C", in order that the Commission may monitor

Section 2.3.

ARTICLE VII

CONSTRUCTION OF AGREEMENT

Section 7.1 Intent and Interpretation - The purpose and intent of this Agreement shall be, and 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.

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 of 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 8.4 Severability -- The invalidity or un-enforceability 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 un-enforceability provision were omitted.

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ATTEST:

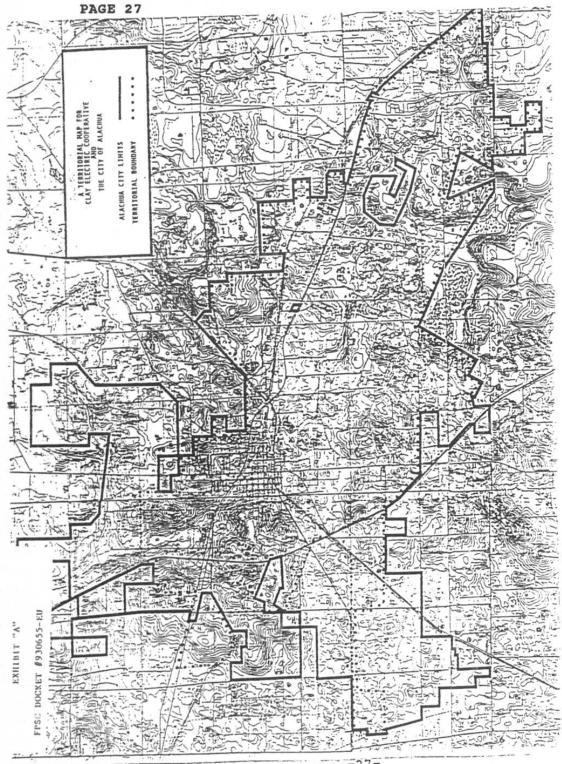
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Section 8.5 Cost and Attorney Fees - In the event legal action istaken ...to .enforce the terms of this Agreement, shereof, the prevailing party shall be entitled to recover all costs incurred, including reasonable attorney fees.

IN WITNESS WEEREOF, this Agreement has been caused to be executed in Triplicate by the Cooperative in its name by its President, and its Corporate Seal hereto affixed by the Secretary of the Cooperative, and by the City in its name by its Mayor, and its Seal hereto affixed and attested by its Clerk, on the day and year first above written; and one of said triplicate copies has been delivered to each of the parties hereto.

By: Pay Wingati	By: The state of t
	CITY OF ALACEUA
By: City Clerk	By: James a Lains May or (circle)
APPROVED: Order No. Florica Publi	Co Service Commission Date
Approved as to Form Legality	heil a horfley
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CLAY ELECTRIC COOPERATIVE, INC.



. . . .

CLAY ELECTRIC COOPERATIVE, INC. AND THE CITY OF ALACHUA, FLORIDA

All the area ancompassed within the following described boundary agreement line shall be reserved unto the City of Alachua, its successors and assigns, and the area outside of, adjacent and contiguous to said boundary agreement line, lying within Alachua County, shall be reserved unto Clay Electric Cooperative, Inc., its successors and assigns, said boundary agreement line lying in Township 8 South, Ranges 18 and 19 East, and Township 9 South, Range 19 East, Alachua County, Florida, and being more particularly described as follows:

Begin at the centerline intersection of County Road 235 and Interstate Highway "I-75" (State Road 93) situated in the Southwest quarter of Section 22, Township 8 South, Range 18 East; thence Southwesterly along said County Road 235 centerline, approximately 1900 feet to the South line of Section 21, said Township and Range; thence Westerly along said South line, approximately 4215 feet to the centerline of County Road 235A; thence North 00° 14' 05" East, along said centerline, 394.50 feet to the centerline of County Road NW 26; thence Southwesterly and Westerly along said centerline of County Road N.W. 26, an approximate distance of 9098 feet to an intersection with a Northerly prolongation of the West line of Lot 46, Quail Roost Unit 2, recorded in Plat Book "N" page 22, Alachua County Public Records; thence South 01° 20' 21" East, along said prolongation and continuing along said West lot line, 226.35 feet to the Northwest corner of Tract 3, Quail Roost Estates, an unrecorded subdivision; thence along the West line of said Quail Roost Estates, the following three (3) courses and distances: (1) Southerly 1255.38 feet; (2) Westerly 209.72 feet; (3) Southerly 1050.83 feet; thence along the South line of said Quail Roost Estates, the following three (3) courses and distances: (1) Easterly approximately 1569.36 feet; (2) Southerly 80 feet; (3) Northeasterly 760.49 feet to the Southwest corner of Tract 19, said Quail Roost Unit 2; thence along the South line of said Tract 19, North 84° 59' 04" East, 487.02 feet to the Easterly line of said Quail Roost Unit 2, said line being a curve concave Southeasterly; thence Northeasterly along said curved subdivision line, 1025.31 feet to the end of said curve; thence continue along said Easterly subdivision line the following two (2) courses and distances: (1) North 23° 45' 33" East, 388.81 feet; (2) North 05° 44' 20' East, 877.88 feet; thence North 89° 46' East, approximately 1160 feet to the Southwest corner of Lot one, Quail Roost Unit No. 1, Plat Book "J" page 29, said Public Records; thence Easterly along the South line of said Quail Roost Unit No. 1, a distance of 4655.29 feet to the Southeast corner of Lot 44 said plat; thence South 00° 42' 43" West, 656.74 feet; thence South 89° 17' 17" East, along the South line of Lot 50, said plat, 270 feet to the centerline of said County Road 235A; thence South 00° 42' 43" West, along said centerline, 1942.04 feet to the West quarter corner of Section 28, said Township and Range; thence East along the quarter section line

of said Section, and continuing along the quarter section line of Section 27, said Township and Range, approximately 7225 feet to the State rose (30) Thencers research to the decomposition of the section of the secti

right of way line, approximately 3700 feet to an intersection with the South line of said Section 27; thence East along said South line and continuing along the South line of Fractional Section 26, said Township and Range, approximately 5100 feet to the Northwest corner of Lot One, Haile Estate Subdivision recorded in Plat Book "A" page 56, said Public Records; thence South along the West line of Lots 1, 7 and 8, said Haile Estate, approximately 3960 feet to the Southeast corner Lot 9, said Haile Estate: thence Easterly along the Alachua corporate city limits, approximately 830 feet to the Northwesterly line of Haile Estates within the Fernandez Grant, Section 38, said Township and Range; thence Southwesterly along said Northwesterly line, approximately 460 feet to the Southwesterly line of Lot 7, said Haile Estates; thence Southeasterly along said line, approximately 1320 feet to the Southeasterly line of said Lot 7; thence Northeasterly along said Southeasterly line, approximately 1353 feet to the Southwesterly line of Lot 5, said Haile Estates thence Southeasterly along said Southwesterly line, approximately 1320 feet to the Southeasterly line of said Lot 5; thence North 29° East, along the Southeasterly line of Lots 5, 4 and 1, said Haile Estates, approximately 4059 feet to the Northeasterly line of said Fernandez Grant; thence South 65° East, along said Northeasterly line, 3102.79 feet to the most Southerly corner of Lot 29, L.L. Dell Estates, Plat Book "A" page 47, said Public Records; thence continue along said Fernandez Grant line, South 55° East, 7068.40 feet to the North line of Section 5 within the Arredondo Grant, Township 9 South, Range 19 East; thence along said North line, North 88° 40' 53" East, 773.2 feet; thence North 22° 00' 58" West, 3817.2 feet; thence South 78° 18' 07" East, 3688.88 feet; thence South 22° West on a Northerly prolongation of the Southeasterly line of said Fernandez Grant, approximately 3000 feet to the said North line of Section 5 within the Arredondo Grant, also being the North line of said Arredondo Grant; thence Easterly along said North line, approximately 1150 feet to the Northwest corner of Section 4 within the Arredondo Grant; thence South along the West line of said Section 4 approximately 2560 feet to the Southwest corner thereof; thence East along the South line of said Section 4 approximately 1320 feet to the Northwest corner of the Northeast quarter of the Northwest quarter of Section 9, said Township and Range; thence South approximately 1320 feet to the Southwest corner thereof; thence East approximately 2640 feet to the Southeast corner of the Northwest quarter of the Northeast quarter of said Section 9; thence North approximately 1320 feet to the Northeast corner thereof; thence West along the North line of said Section 9 approximately 2270 feet to a point that is 1710.48 feet East of the Southwest corner of said Section 4; thence North 1146.09 feet to the South line of Spanish Grant Subdivision, Plat Book "K" page 63, said Public Records; thence East along said South line and a continuation thereof, 929.52 feet; thence North, parallel with the East line of said Spanish Grant Subdivision, approximately 1692

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feet to said North line of the Arredondo Grant, thence East along said North line, also, the centerline of County Road NW 30 pp. 100 p

feet to the South line of Section 34, Township 8 South, Range 19 East; thence North 88°29'02" East along said North line and continuing along the South line of Section 35 said Township and Range, approximately 6470 feet to the Southwesterly right of way line of U.S. Highway 441 (State Road 25); thence Northwesterly along said Southwesterly right of way line, approximately 10,600 feet to an intersection with the East line of Section 28, said Township and Range; thence North 01° 15' West along said Section line, approximately 290 feet to the Southerly right of way line of NW 120th Lane; thence along said right of way North 59° 23' 51" West, 201.12 feet; thence South 19° 47' 52" West, approximately 390 feet to the said Southwesterly right of way line of U.S. Highway 441 (State Road 25); thence Northwesterly along said Southwesterly right of way line of U.S. Highway 441 (State Road 25) approximately 5650 feet to an intersection with the West line of Section 28, said Township and Range; thence North along said West line, approximately 470 feet to the centerline of County Road NW 26; thence East on said centerline approximately 890 feet to the centerline of Long Street; thence North along said centerline, and the East line of Blocks 17, 8 and 5, Town of Hague, recorded in Deed Book "P" page 425 said Public Records, approximately 1150 feet to the centerline of the CSX Transportation right of way (formerly Atlantic Coast Line Railroad); thence Northwesterly along said railroad centerline approximately 1150 feet to an intersection with the North line of said Block 5; thence West along the North line of Blocks 5 and 6, Town of Hague, approximately 365 feet to the East line of Section 20, Township 8 South, Range 19 East; thence West along the South line of the Northeast quarter of the Southeast quarter of said Section 20, a distance of 1339.34 feet to the West line of said lands; thence North along said West line, approximately 1410 feet to the North line of said lands; thence East along said North line approximately 1340 feet to said East line of Section 20; thence North along said section line, approximately 1336 feet to the South line of the Northeast guarter of the Northeast quarter of said Section 20; thence West along said South line, approximately 1358 feet to the West line thereof; thence North along said West line and continuing along the West line of the Southeast quarter of the Southeast quarter of Section 17, said Township and Range approximately 2656 feet to the North line of the South quarter of said Section 17; thence West along said North line approximately 3960 feet to the West line of said Section 17; thence South along the West line of Sections 17 and 20, said Township and Range, approximately 2070 feet to said centerline of CSX Transportation right of way (formerly Atlantic Coast Line Railroad); thence Northwesterly along said railroad centerline, approximately 1350 feet to an intersection with the West line of the East quarter of Section 19, said Township and Range; thence North along said West line, approximately 505 feet to the South line of Section 18, said Township and Range; thence North 01° 22'

35" West along the West line of the East quarter of said Section 18, a distance of 1338.42 feet to the Southeast corner of Rolling
Hills Estates, an unrecorded plat Tinence along the East line of the Said Rolling Hills Estates the Following three (3) Courses and I said Rolling Hills Estates the Following three (3) Courses and I said Rolling Hills Estates the Following three (3) Courses and I said Rolling Hills Estates the Following three (3) Courses and I said Rolling Hills Estates the Following three (3) Courses and I said Rolling Hills Estates the Following three (3) Courses and I said Rolling Hills Estates the Following three (3) Courses and I said Rolling Hills Estates the Following three (3) Courses and I said Rolling Hills Estates the Following three (3) Courses and I said Rolling Hills Estates the Rolling Hill Estates the Rolling Hills Estates the Rolling Hills Estates distances; (1) North C1° 22' 35" West, 2685.74 feet; (2) South 89° 08' 18" West, 596.63 feet; (3) North 00°33'29" West, 1249.39 feet to the centerline of County Road N.W. 22; thence South 89° 32' 31" West along said centerline, 521.08 feet; thence Southwesterly along said centerline of County Road N.W. 22, approximately 4600 feet to the centerline of Burnett's Lake Boulevard; thence South 48°38'24" West, along said centerline, approximately 3060 feet to an intersection with the centerline of NW 150 Avenue; thence Northwesterly and Westerly along said centerline, approximately 3830 feet to the West line of Government Lot 2, Section 14, Township 8 South, Range 18 East; thence North along the East line of Leroy's Addition, Plat Book "A" page 74, and the East line of Merrill Wood, Plat Book "H" page 50, approximately 1300 feet to the South line of the North half of Government Lot 2; thence South 89° 37' 50" East, approximately 1200 feet to the centerline of the old abandoned road known as Arredondo Road; thence along said road, North 01° 12' 58" West, 1301.51 feet to the North line of said Section 14; thence North 89° 23' 56" West, along said section line approximately 900 feet to the East line of the Southeast quarter of the Southwest quarter of Section 11, said Township and Range; thence North along said East line approximately 1320 feet; thence West along the North line of said Southeast quarter of the Southwest quarter, approximately 1320 feet; thence North along the East line of the Northwest quarter of the Southwest quarter approximately 1320 feet; thence West along the North line of said Northwest quarter of the Southwest quarter and continuing on a West prolongation thereof, approximately 2650 feet to the West line of Alachua Realty Co. Addition, Plat Book "A" page 100; thence North along said West line and the West line of the East quarter of Section 10, said Township and Range, approximately 2640 feet to the North line of said Section 10; thence West along the North line of Sections 10 and 9, said Township and Range, approximately 5280 feet to the East line of the North half of the North half of Government Lot 2 of said Section 9; thence South along said East line approximately 660 feet; thence West along the South line of said North half of the North half approximately 1230 feet to a point that is 2259.34 feet East of the East right of way line of County Road 235; thence parallel with said East right of way line, South 01°47'45" East, approximately 930 feet to an intersection with an East prolongation of the North line of lands of the School Board of Alachua County; thence South 36°21' West along said prolongation, approximately 980 feet to the East line of said School Board lands; thence South 01°49' East, along said East line, 2556.09 feet to the Southerly right of way line of said U.S. Highway 441 (State Road 25); thence North 79°06' West along said right of way line approximately 5470 feet to an intersection with the East line of the West quarter of Section 8, Township 8 South, Range 18 East; thence Southerly along said East line and a Southerly prolongation thereof approximately 2700 feet to an intersection with the centerline of CSX Transportation right of way, (formerly A.C.L.R.R.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of tariff filing to revise certain classes of calls previously dial-rated to be classified as operator-handled calls by AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC. (T-94-301 filed 6/8/94)

) DOCKET NO. 940648-TI) ORDER NO. PSC-94-0862-FOF-TI) ISSUED: July 18, 1994

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK JULIA L. JOHNSON DIANE K. KIESLING

ORDER APPROVING TARIFF FILING

BY THE COMMISSION:

On June 8, 1994, AT&T Communications of the Southern States, Inc. (ATT-C), filed a proposed tariff to revise certain Dial Station and Operator Station calls.

Dial Station telephone communication is a call dialed and completed by the customer without the assistance of an operator. The call is billed to the originating number only. Operator station rates apply when calls are completed with the assistance of an ATT-C operator. These rates plus an operator dialed surcharge apply to calls billed to a different number and to calls originated by accessing the operator and then paying for the call by depositing coins in public or semi-public phones.

Currently, the operator dialed surcharge does not apply to Dial Station calls completed by an operator when the customer cannot complete the call due to defective equipment or trouble in the ATT-C telecommunications network, a customer's inability to call because of a handicap, or to calling card calls.

Under the proposed tariff, if a customer incurs an involuntary interruption during a Dial Station call, the customer has the option to redial the call at dial station rates, or request the operator to complete the call and incur operator station rates and an operator dialed surcharge (\$0.75) for the call. Also, if the

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customer cannot complete a call due to trouble in the telecommunications network, the customer can request the ATT-C operator to attempt completion of the call. The operator will inform the customer that operator station rates and an operator dialed surcharge (\$0.75) will apply upon successful completion of the call. The customer will still receive the appropriate credit for any established call that is interrupted. The proposed changes will not apply to customer's unable to call because of a handicap, or to calling card calls.

ATT-C's proposed tariff language is similar to what U.S. SPRINT (SPRINT) has in its tariff. Under SPRINT'S tariff, an operator dialed surcharge applies to all operator service calls completed by the operator, except for calls which cannot be completed by the customer due to equipment failure or trouble on the Sprint network. If the customer has the ability to complete the call, but elects to have the operator complete the call, then both an operator dialed surcharge and operator dialed service rates against the customer. Under Microwave be assessed Communication Incorporated's (MCI) tariff, an operator assistance surcharge applies when a customer has the ability to complete the call, but chooses to have the operator complete the call for him/her. However, unlike ATT-C and SPRINT, MCI's dial rates apply when the operator completes the call.

ATT-C was unable to quantify the cost impact to customers under the proposed change in service. However, those customers who routinely use an ATT-C operator to complete calls will now incur a higher cost.

Upon consideration, we believe the proposed tariff revisions are appropriate.

It is therefore,

ORDERED by the Florida Public Service Commission that the tariff filing by AT&T Communications of the Southern States (ATT-C) to revise certain Dial Station and Operator Station calls is approved as set forth in the body of this Order. It is further

ORDERED that the tariff shall be effective July 8, 1994. It is further

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ORDERED that if a timely protest is filed pursuant to the requirements set forth below, this tariff shall remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 18th day of July, 1994.

BLANCA S. BAYO, Director Division of Records and Reporting

(SEAL)

MMB

by: Kay Juran Chief, Bureau & Records

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.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on August 8, 1994.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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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 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 date this Order becomes final, 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.