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*ADMITTED IN FL AND TX

May 8, 2008

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

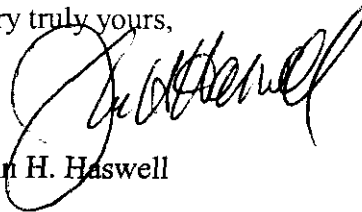
RECEIVED-FPSC
08 MAY 12 AM 9:41
COMMISSION
CLERK

Re: In re: Petition to Resolve a Territorial Dispute with
City of Alachua by Clay Electric Cooperative, Inc.
Docket No.: 930655-EU

Dear Ms. Cole:

I am enclosing herewith an original and seven (7) copies of an Annual Report of Clay Electric Cooperative, Inc. for 2008 to be filed in the above-referenced docket.

Very truly yours,



John H. Haswell

JHH/bh
Enclosures
cc (w/enclosure):

Marian B. Rush, Esq.
Richard P. Redemann, Florida Public Service Commission

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re:)
)
Petition to Resolve a Territorial) Docket No.: 930655-EU
Dispute with City of Alachua by)
Clay Electric Cooperative, Inc.)
_____)

**ANNUAL REPORT OF CLAY ELECTRIC
COOPERATIVE, INC. FOR 2008**

As of May 1, 2008, there are seventy-three (73) accounts remaining to be transferred to the City of Alachua. The following provisions of the Joint Petition of the two utilities to approve a Territorial Agreement and appropriate sections of the Territorial Agreement and the Order approving the agreement are as follows:

A. The Joint Petition states at page 8:

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.

B. Section 2.3 of the Territorial Agreement provides:

Section 2.3 Transition Period - In order to minimize inconvenience to their customers, each party may continue to serve its respective 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. ...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.

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C. Order No. PSC-94-0861-AS-EU states at page 2:

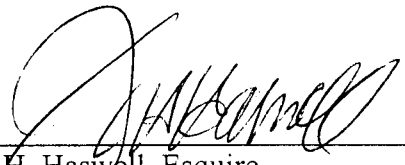
The agreement proposes to transfer service to the 141 customers listed on Exhibit "C" of the agreement from Clay to Alachua upon request of the customer or at such time as a "Change in Use", as defined in Section 1.12, occurs.

Please also note in your file a letter dated May 8, 1996, addressed to Charles M. Morris, City Manager of the City of Alachua, and signed by Robert V. Elias, Chief, Bureau of Electric and Gas. Mr. Elias noted in his letter: "Those documents (the Territorial Agreement and the Order approving it) do not authorize the forced transfer of existing customers from Clay Electric Cooperative to the City of Alachua. To the contrary, they specifically provide that any customer transfers would be made on a voluntary basis at the customer's request, or when a change in the use of the property occurred."

Hence, the seventy-three (73) remaining accounts may not be transferred until a customer requests the transfer or when a change in use of the property has occurred.

Clay Electric will continue to monitor the situation and will periodically report to the Commission on any activity.

Respectfully submitted,



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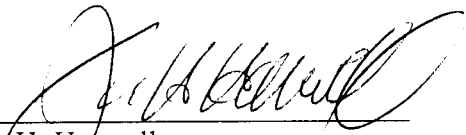
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by regular U.S. mail to the following:

Marian B. Rush, Esq.
11 SE 2nd Avenue
Gainesville, FL 32601

on this 9th day of May, 2008.



John H. Haswell

DOCUMENT NUMBER - DATE

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