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DIVISION OF ECONOMICS
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Public Service Commission

February 28, 2024

STAFF'S FIRST DATA REQUEST Via E-Mail

D. Bruce May, Jr., Esquire,
On behalf of Sumter Electric Cooperative, Inc.
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William E. Sexton, Esquire,
City Attorney, on behalf of
City of Ocala
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Re: Docket No. 20240033-EU - Joint Petition For Approval of Territorial Agreement between Sumter Electric Cooperative, Inc. and the City of Ocala, d/b/a Ocala Electric Utility.

Dear Counsels:

By this letter, the Commission staff respectfully requests Sumter Electric Cooperative, Inc. (SECO) and the City of Ocala (City or Ocala) provide responses to Staff's First Data Request regarding the above-referenced joint petition.

1. In the petition, page 2, paragraph 3 states, in part, that the 2003 Agreement expired in May 2018.
 - a. Please explain why the said agreement was not renewed prior to its expiration in 2018.
 - b. Please discuss whether SECO and Ocala, parties to the 2003 Agreement, continued to meet their respective obligations and honor the 2003 Agreement after it expired in 2018. If there have been any exceptions, please explain.
 - c. Exhibit C to the proposed agreement (2024 Agreement) lists 52 SECO customers, identified as “Present Temporary Service Customers” (as per the proposed agreement), that will be transferred to Ocala.
 1. Are the “Present Temporary Service” customers (indicated by the Exhibit C addresses) to be transferred under the proposed agreement the equivalent of new customers taking service under “Interim Service” per the 2003 Agreement? Please explain any differences that may exist in these two classifications.
 2. Provide the date service was established and the class of service (RS, GS, etc.) for each customer address identified in Exhibit C.
 3. Did the petitioners enter into written agreements for the provision of Temporary Service to such customers at the addresses identified in Exhibit C? If not, why not?
 4. If the petitioners provided any notification to the Commission of either temporary or interim service to such customers was anticipated to last more than one year, please provide copies of such notifications. If not, why not?
 5. Are there any additional Temporary Service Customers (other than those listed in Exhibits C and D) that are not being transferred? If so, please provide the service location addresses of those customers that are not being transferred per the proposed territorial agreement, the dates such services were established, and the customer class of each such service. Provide a separate response for each utility.
 6. Please provide the history of inadvertent service, including the number of inadvertent service connections per year since 2017 by utility. Explain in your response how such customer connections may have occurred and are expected to occur despite the territorial boundaries in place, and why this designation does not exist in the current (but expired) agreement but is now proposed?

- d. Exhibit D to the 2024 Agreement lists 17 Ocala customers, identified as “Present Temporary Service Customers” (as per the proposed agreement), that will be transferred to SECO.
 1. Are the “Present Temporary Service” customers (indicated by the Exhibit D addresses) to be transferred under the proposed agreement the equivalent of new customers taking service under “Interim Service” per the 2003 Agreement? Please explain any differences that may exist in these two classifications.
 2. Provide the date service was established and the class of service (RS, GS, etc.) for each customer address identified in Exhibit D.
 3. Did the petitioners entered into written agreements for the provision of Temporary Service to such customers at the addresses identified in Exhibit D? If not, why not?
 4. If the petitioners provided any notification to the Commission of either temporary or interim service to such customers was anticipated to last more than one year, please provide copies of such notifications. If not, why not?
 - e. Have the boundary lines of SECO or Ocala’s service areas changed in any way since 2018? If so, please detail the boundary changes and explain why they were changed.
2. In the petition, page 2, paragraph 4 states, in part, that to best avoid uneconomic duplication of facilities and to best protect the public health and safety from hazardous conditions, the Joint Petitioners have entered into a new territorial agreement.
 - a. Please provide the petitioners’ cost analysis, in electronic format (Excel) with cell formulas intact, that supports the petitioners claim in the Petition at Paragraph 4 that the proposed transfer of customers and service to new customers avoids uneconomic duplication. If spreadsheet analysis is not available, please provide whatever analysis was relied upon to support the petitioners’ claim for all such facilities to be transferred and for new customers to be served in a way that will avoid uneconomic duplication.
 - b. Please explain why the instant petition best protects public health and safety from hazardous conditions?
 - c. Please identify any other relevant factors that are unique to the instant Petition or to these joint petitioners that staff should consider in evaluating this case.

3. Paragraph 6 of the petition states that the customer transfers will be completed within 36 months of the effective date of the 2024 Agreement.
 - a. Provide a detailed response identifying the steps of the transfer process, including major work items, scheduling, and prioritization, and the reasons for the 36-month transfer time frame.
 - b. Other than the sample customer notification letter featured in Attachment 2 in the petition, describe what future communications are planned throughout the 36-month transfer time frame.
4.
 - a. What are the SECO facilities be transferred and purchased by Ocala in order to serve the 52 transitioning customers?
 - b. What are the estimated associated purchase costs?
 - c. What assurance do the petitioners put forth that the purchase price of the facilities to be transferred will be reasonable, as per Rule 25-6.0440(2), F.A.C., given that that information does not appear to be available at this time per the proposed territorial agreement?
 - d. Does Ocala currently have the capability to serve the additional customers identified in Exhibit C, and all future customers per the proposed territorial agreement, without a decrease in electric service reliability? Please explain what efforts were made and what information were relied upon to reach this determination.
 - e. Please explain the inclusion of the proposed territorial agreement, Section 3.4.1: RUS Approval at this time, given that this section does not appear to exist in the current (but expired) territorial agreement. Please explain the likelihood that the proposed agreement may be impacted by the terms contained therein, and what those potential impacts might be.
5.
 - a. What are the Ocala facilities be transferred and purchased by SECO in order to serve the 17 transitioning customers?
 - b. What are the estimated associated purchase costs.

- c. What assurance do the petitioners put forth that the purchase price of the facilities to be transferred will be reasonable, as per Rule 25-6.0440(2), F.A.C., given that that information does not appear to be available at this time per the proposed territorial agreement?
6. Exhibit C to the 2024 Agreement lists 52 SECO customers that will be transferred to Ocala, and the sample customer notifications (Attachment 2 in the petition) from SECO indicate that those customers that received letters subscribed to electric service under the GS, GS-3, and Residential rate classes.
 - a. Of the 52, how many of those customers currently subscribe to the GS rate class?
 - b. Of the 52, how many of those customers currently subscribe to the GS-3 rate class?
 - c. Of the 52, how many of those customers currently subscribe to the Residential rate class? Specify in your response how many of these customers got the letter referencing the utility's solar buyback program, and how many got the letter that did not reference this program.
 - d. When the 52 SECO customers are transferred to Ocala, will those customers be billed pursuant to Ocala's approved tariffs? Do the petitioners anticipate a special or temporary rate for the 52 transferred customers? Please discuss.
 - e. The last paragraph on the sample customer notification letters (Attachment 2 in the petition) from SECO states that customers could call the utility if they had questions about the proposed transfer to Ocala. Please provide a copy of all written correspondence (letters, emails, etc.) received from customers related to the proposed transfers. Also, please provide a summary of telephone calls from customers related to the proposed transfers indicating the nature of the customers questions, approval, and concerns.
7. Exhibit D to the 2024 Agreement lists 17 Ocala customers that will be transferred to SECO, and the sample customer notifications (Attachment 2 in the petition) from Ocala indicate that those customers that received letters subscribed to the general service and residential rate classes.
 - a. Of the 17, how many of those customers currently subscribe to the general service rate class?

- b. Of the 17, how many of those customers currently subscribe to the residential rate class?
 - c. When the 17 Ocala customers are transferred to SECO, will those customers be billed pursuant to SECO's approved tariffs? Do the petitioners anticipate a special or temporary rate for the 17 transferred customers? Please discuss.
 - d. The last paragraph on the sample customer notification letters (Attachment 2 in the petition) from Ocala states that customers could call the utility if they had questions about the proposed transfer to SECO. Please provide a copy of all written correspondence (letters, emails, etc.) received from customers related to the proposed transfers. Also, please provide a summary of telephone calls from customers related to the proposed transfers indicating the nature of the customers questions, approval, and concerns.
8. In part, Section 0.5 of the 2024 Agreement, states the parties expect to gain further operational efficiencies and customer improvements in their respective retail service territories in Marion County.
 - a. Specifically describe the operational efficiencies the parties expect to gain.
 - b. Specifically describe the customer improvements the parties expect to gain.
9. In Attachment 2 in the petition, SECO included two versions of sample customer notification letters for residential customers, one with language referencing a solar buyback credit, and one version that did not have that reference. The version with the language referencing a solar buyback credit for OEU does not show a numeric value for the credit (i.e., the letter reflects a solar buyback credit of "\$X"). Please identify the actual solar buyback credit amount appearing on the OEU customer notifications. If an actual amount was not provided in the notification to customers, please provide the corrected sample customer notification letter that states the dollar value of the solar buyback credit.
10. Please state the number of customers currently served by SECO and Ocala within Marion County.

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Please file all responses electronically no later than March 21, 2024 via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and Electronic Filing Web Form. Please contact me at akaymak@psc.state.fl.us or at (850) 413-6638 or Michael Barrett at mbarrett@state.fl.us if you have any questions.

Thank you,

/s/Alara Kaymak

Alara Kaymak
Public Utility Analyst

cc: Michael Barrett, Economist Supervisor
Office of the Commission Clerk