

Stephanie A. Cuello SENIOR COUNSEL

August 30, 2024

VIA ELECTRONIC FILING

Adam J. Teitzman, Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Re: Joint Petition for Approval of Territorial Agreement between Duke Energy Florida, LLC. and the City of Ocala, d/b/a Ocala Electric Utility; Docket No. 20240110-EU

Dear Mr. Teitzman:

On behalf of Duke Energy Florida, LLC ("DEF"), please find enclosed for electronic filing in the above-referenced docket, DEF and Ocala Electric Utility's Response to Staff's First Data Request (Nos. 1-13).

Thank you for your assistance in this matter. If you have any questions concerning this filing, please feel free to contact me at (850) 521-1428.

Sincerely,

/s/ Stephanie A. Cuello

Stephanie A. Cuello

SAC/clg Enclosures

cc: Devan Prewett and Michael Barrett

Duke Energy Florida, LLC's ("DEF") Response to Florida Public Service Commission's ("FPSC") First Data Request (Nos. 1-13) re. Joint Petition for Approval of Territorial Agreement between Duke Energy Florida, LLC. and the City of Ocala, d/b/a Ocala Electric Utility

Docket No. 20240110-EU

- 1. In the Joint Petition For Approval of Territorial Agreement between Duke Energy Florida, LLC. and the City of Ocala, d/b/a Ocala Electric Utility (petition), page 2, paragraph 4 states, in part, that "to best avoid duplication of services and wasteful expenditures, as well as to best protect the public health and safety from potentially hazard conditions, the Joint Petitioners have negotiated the Agreement delineating their respective service boundaries in Marion county." Please answer the following:
 - a. Please provide the analysis that was relied upon to support the petitioners' claim that the proposed Agreement will avoid duplication of services and wasteful expenditures.

Response:

The Parties used a logical approach reviewing the territorial boundary lines to avoid uneconomic duplication of facilities based on an in-depth review of a number of factors including (i) the location of their respective facilities in the relevant areas, (ii) the adequacy of those facilities to serve expected development in those areas, and (iii) which utility is in the most economic position to serve a particular area.

b. Please explain how the proposed Agreement best protects public health and safety from potentially hazardous conditions.

Response:

DEF and OEU have proposed a new territorial agreement in which the respective facilities of each Party were reviewed in an effort to reduce or eliminate overlapping wires and facilities that can create dangerous conditions and increase the possibility of accidents to utility linemen and the public at large.

c. Please address how the proposed boundary change will not impair the provision of reliable electric services for current or future ratepayers of either party.

Response:

The Parties do not anticipate any reduction in customer reliability with the proposed transfer of the customers subject to transfer should the proposed agreement be approved.

- 2. On page 7 of 63, paragraph 1, the proposed Agreement states the prior agreement (2009 Agreement) expired in July 2019.
 - a. Please explain why the 2009 Agreement was not renewed prior to its expiration in 2019.

In early 2017, DEF and OEU began to negotiate a new territorial agreement to replace the 2009 Agreement which was set to expire in 2019. Unfortunately, those negotiations were delayed by a series of factors beyond the Parties' control. Since negotiations began there have been four (4) OEU Electric Directors and several key OEU engineering employees that were involved in the negotiations either retired or departed the utility. The Covid-19 pandemic and storm activities also contributed to delayed negotiations.

The Parties completed negotiations of a new territorial agreement in May of 2024, and filed their joint petition requesting PSC approval in August. The filing was delayed due to storm response and some personnel changes at DEF.

b. Please discuss whether DEF and Ocala, parties to the 2009 Agreement, continued to meet their respective obligations of the 2009 Agreement after it expired in 2019. If there have been any exceptions, please explain.

Response:

During the period when the Parties were negotiating a new territorial agreement, DEF and OEU both continued to honor and operate under the 2009 Agreement as if it were still in effect.

- 3. On page 7 of 63, paragraph 2, the proposed Agreement states that "planning, operational, and customer service benefits are provided" by entering into a new Agreement.
 - a. Please specifically describe the planning, operational, and customer service benefits that will be provided by entering into the proposed new Agreement.

Response:

The proposed agreement involves minor boundary changes to more clearly delineate the respective service areas of the neighboring utilities. This includes adjusting mapping discrepancies and addressing parcels split by the territorial boundary lines. This enables both DEF and OEU to concentrate their attention on their own respective service areas, which in turn will allow both utilities to plan and operate more efficiently and improve their service to customers.

b. Please provide the locations in the utilities' existing territories where planning, operational, and customer service benefits would have the greatest impact.

Response:

390 NE 42nd Street, Ocala – The transfer of this customer to the City of Ocala removes the DEF facilities which run across multiple privately owned properties and heavily wooded areas. If the agreement is approved, the customer will now be served by the City of Ocala, increasing reliability and restoration time in case of outages.

4. Referring to Section 1.3: Point of Use, of the proposed Agreement, please explain the difference(s) between Point of Use and Point of Connect or Metering. Please provide example(s) situations applicable to Section 1.3.

Response:

The term "Point of Use" means the location within the Territorial Area of a Party where a customer's end-use facilities consume the electricity. The Point of Connect or Metering refers to where the meter for the customer is located. By using the Point of Use (i.e, the building where the energy is consumed) as the determining factor for which Party will provide electric service, this eliminates the concept of placing a meter or connect point in the neighboring utility's territory and gaining access to serve customers within the Territorial Area of the utility that should rightfully serve the customer. For example, if 75% of a building was within DEF's territory and 25% of the building was in Ocala's territory, but the meter and interconnection point was placed on the wall in Ocala's territory, DEF would still serve the customer as the majority of the load is consumed in DEF's territory. Section 1.3 prevents that kind of manipulation of the metering point.

- 5. Please refer to Sections 1.7 and 2.4 to answer the following:
 - a. Please list the service addresses of customer(s) that are Extra-Territorial customers, meaning their service address is in DEF's service territory, yet they receive electric service from a utility outside of DEF's designated service territory. For each address, please also provide the date(s) that electric service was established.

Response:

The addresses are provided below as well as in Exhibit D of the proposed agreement. Please note an address may have more than one electrical service.

Address	Date Service Established
1274 NE 70th Street, Ocala, FL 34479	6/1/1995
1274 NE 70th Street, Ocala, FL 34479	6/1/1995
1672 NE 70th Street, Ocala, FL 34479	5/20/2015
1672 NE 70th Street, Ocala, FL 34479	5/20/2015
1672 NE 70th Street, Ocala, FL 34479	5/20/2015
3400 NW 35th Street, Ocala, FL 34479	8/26/1999

b. Please list the service addresses of customer(s) that are Extra-Territorial customers, meaning their service address is in the City of Ocala's service territory, yet they receive electric service from a utility outside of the City of Ocala's designated service territory. For each address, please also provide the date(s) that electric service was established.

The address is provided below as well as in Exhibit C of the proposed agreement.

Address	Date Service Established
390 NE 42nd Street, Ocala, FL 34479	10/18/2021

c. For each of the Extra-Territorial service addresses identified in responses to questions

Response:

The City of Ocala and DEF believe that the Extra-Territorial customers are a result of misinterpretations of older paper boundary maps or not having existing facilities to serve at the time service was requested by the customer.

d. 5A and 5B above, please explain any unique circumstances that were present at the time service was established.

Response:

DEF and OEU have worked through extensive negotiations and considerations to realign and make minor territory boundary adjustments that eliminate split parcels (where the territory boundary passes through a parcel) or make parcel adjustments for operational efficiency which will reduce or prevent Extra-Territorial service situations.

e. What steps, if any, have been or will be taken by both parties to reduce or eliminate Extra-Territorial connections?

Response:

DEF and OEU have shared GIS data files to make sure there is no disagreement on the exact boundaries. This level of accuracy will ensure that every parcel will be easily identifiable as to whose service territory it is within, once the new agreement is approved by the PSC.

OEU shares its territory GIS information with both the City of Ocala and Marion County, so they have access to it to assist citizens and businesses with contacting the correct utility to request power. Additionally, DEF demonstrates its service territory to the public via our online outage map. Both Parties intend to continue to use these mapping tools and share data as necessary.

f. What technology and procedures are the utilities pursuing to reduce or eliminate Extra-Territorial connections prospectively?

Response:

DEF and OEU now utilize sophisticated GIS technology that clearly identifies the precise boundaries of each electric utility's service territory.

6. Please clarify whether all Extra-Territorial Customers are being transferred. If applicable, provide the service addresses and/or map-page references for each Extra-Territorial Customer that will not transferred as a result of the proposed boundary change.

Response:

Yes, all Extra-Territorial Customers are being transferred that have not been part of a map adjustment done for operational efficiency. Please see the attached map.

7. Referring to Section 1.8: Temporary Service Customers, please state if either or both Ocala and DEF are currently serving any temporary customers within Marion County. If currently serving temporary customers, please state the service addresses for such customers, and the class of service they subscribe to.

Response:

There are no Temporary Service Customers being currently served by either Party.

- 8. With reference to Section 2.1: Service to New Customers:
 - a. Please explain why it would be difficult to locate customers' points of use with the availability of improved GIS mapping and other technologies.

Response:

With new residential or commercial larger undeveloped parcels, the right to serve must be determined early in the site plan process. Utilities are usually given conceptual plans that are subject to change. Until further site planning occurs, it may be initially difficult to determine precisely where the Point of Use will be located.

b. In the instances where the Territorial Boundary Line traverses the property of a New Customer, is it correct to assume that each Party will serve their Territorial Area if the preponderance of the New Customer's electricity usage is not located in the greater portion of the New Customer's property? If not, please provide a response detailing the steps of determining which Party will serve the New Customer.

Response:

The Party with the greater portion of the New Customer's property in its Territorial Area, including where the majority of the New Customer's electric consumption is expected to occur, will serve all of the New Customer's electric load.

To avoid this situation DEF and OEU have worked very hard to eliminate split parcels. If there is a situation where the electric service is split between the utilities due to separate buildings being constructed that place those usage loads in different territories, then each utility would service within their area. However, in cooperation and for efficiency, the Parties may agree to modify the territorial boundaries to place the subject parcel wholly within the service territory of one utility so as the reduce confusion of which utility should rightfully serve the customer.

9. Referring to Section 4.3: Retail Service at Facility Sites, please provide descriptive examples of 'limited retail service' (defined as no more than 3 separate retail accounts with a combined load of 25kW or less) that are in the joint petitioners' service territories, subject to this proposed Agreement.

Response:

An example might be retail service to billboards along FDOT limited access roads, traffic control enclosures at an intersection adjacent to the service territory boundary, or a residential flag lot where narrow flag driveway access would prevent safe placement of new electric facilities but could be served more directly by facilities from the adjacent utility.

- 10. With reference to Exhibit C (Extra-territorial Customers served by Duke Energy Florida and subject to transfer to the City of Ocala), please answer the following:
 - a. Please state the approximate distance from this customer's location to the nearest City of Ocala facilities that will provide service to this address.

Response:

For the Exhibit C customer, the approximate distance is 200 feet.

b. If applicable, describe the construction activities that will be necessary for the City of Ocala to serve this customer's location.

Response:

Overhead line extension from south side of NE 42nd St. OEU may seek to acquire one existing Duke pole with transformer and secondary conductor to reduce impact to the customer's existing service path. This would also allow for removal of approximately 550' of unneeded Duke overhead facilities, resulting in less impact on the customer's property.

c. If applicable, state the estimated cost of the construction activities described in the response to Question 10B above.

Response:

OEU does not have estimated costs since none of the actual design work has begun. However, there will be no cost impact to any customer that DEF is transferring to OEU.

- 11. With reference to Exhibit D (Extra-territorial Customers served by the City of Ocala and subject to transfer to Duke Energy Florida), please answer the following:
 - a. Please state the approximate distance from each customer's location identified in Exhibit D to the nearest Duke Energy Florida facilities that will provide service to those addresses. Provide a response for each address identified in Exhibit D.

1274 NE 70th Street – the approximate distance is 900 feet.

1672 NE 70th Street – the approximate distance is 1700 feet.

3400 NW 35th Street Road – the approximate distance is 975 feet.

b. If applicable, describe the construction activities that will be necessary for Duke Energy Florida to serve those customer locations. Provide a response for each address identified in Exhibit D.

Response:

1274 NE 70th Street – Overhead line extension on the south side of 70th Street. 1672 NE 70th Street – Overhead line extension on the south side of 70th Street. 3400 NW 35th Street Road – To be determined as this transfer may require a combination of both overhead and underground line extensions.

c. If applicable, state the estimated cost of the construction activities described in the response to Question 11B above.

Response:

DEF does not have estimated costs since none of the actual design work has begun. However, there will be no cost impact to any City of Ocala customer that is transferring to DEF.

- 12. With reference to Exhibit E (Sample copy of letter providing notification), please answer the following:
 - a. What date(s) were the respective sample letters mailed?

Response:

Ocala sent their customer letters out on 3/20/2024 (dated 3/19/2024). DEF sent their customer letter out on 3/8/24 (dated 3/6/24).

b. Describe any correspondence or documented customer interactions regarding questions or concerns about the proposed Agreement that each signatory (Walsh for DEF and Peebles for Ocala) had with the customer(s) that received letters. Provide a response for each signatory (Walsh for DEF and Peebles for Ocala).

Response:

DEF has not received any response from the one customer that is subject to transfer to Ocala should the agreement be approved. (Walsh)

Ocala has not received any response from the six customers that are subject to transfer to DEF should the agreement be approved. (Peebles)

c. Provide a complete July 2024 typical bill, comparing information for both residential and commercial customers of both utilities subject to the transfer.

See attached bill images from both utilities.

13. Please provide a single page map (or as few pages as practical for purposes of clarity) indicating the approximate location of each customer subject to transfer pursuant to the proposed territorial agreement, the proposed territorial agreement boundary lines, the expired territorial agreement boundary lines, section lines, and including a key inserted containing all customer and section/ territorial line indicators, and color code / hatch marks for utility territory identification.

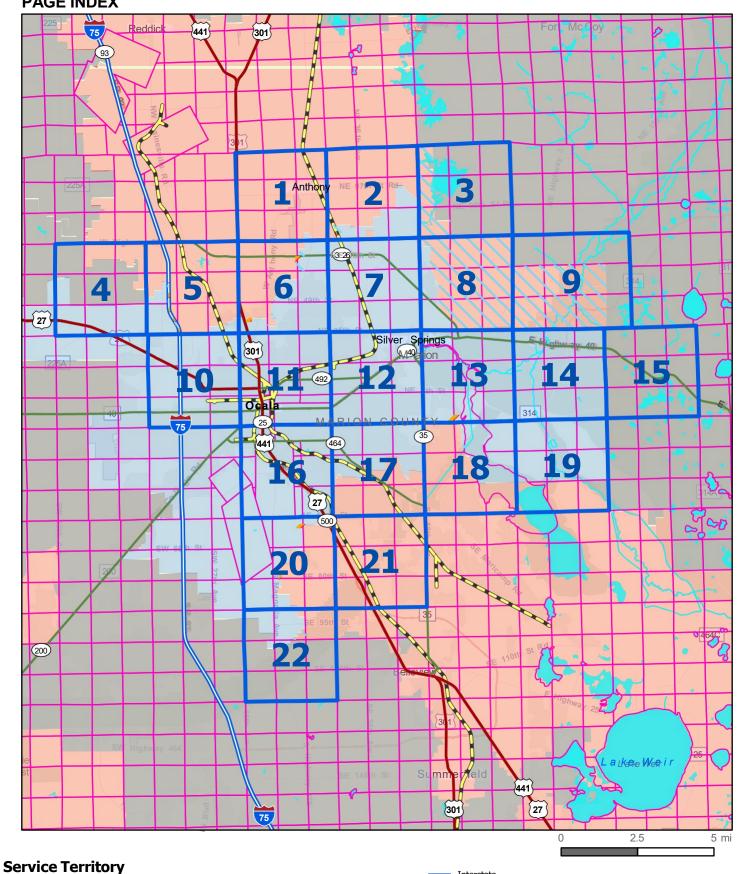
Response:

Please see the attached map pages which contain the following, below. Map pages that did not have any modifications were not attached for brevity.

- 1. Customer transfers as listed on Exhibit C and Exhibit D.
- 2. Areas that have been adjusted for operational efficiency with no customer transfers.
- 3. Mapping error corrections.

DUKE ENERGY - OCALA ELECTRIC UTILITY TERRITORIAL AGREEMENT MARION COUNTY, FL PAGE INDEX

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Interstate

Rail

US Highway

— Major Road

Map Grid

Section

Parcels

To Duke

To Ocala

Duke Energy Florida

Ocala Electric Utility

Not Part of Agreement

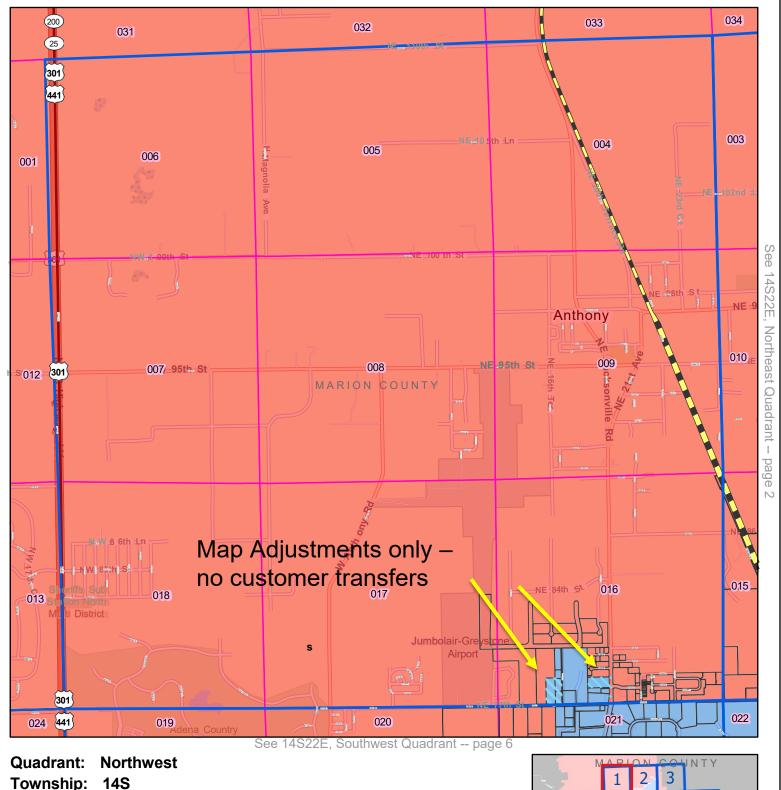
City Boundary

County

Water

DUKE ENERGY - OCALA ELECTRIC UTILITY TERRITORIAL AGREEMENT MARION COUNTY, FL

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Service Territory

22E

MARION

Range:

County:

Page 1

Duke Energy Florida
Ocala Electric Utility
Not Part of Agreement

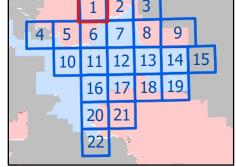


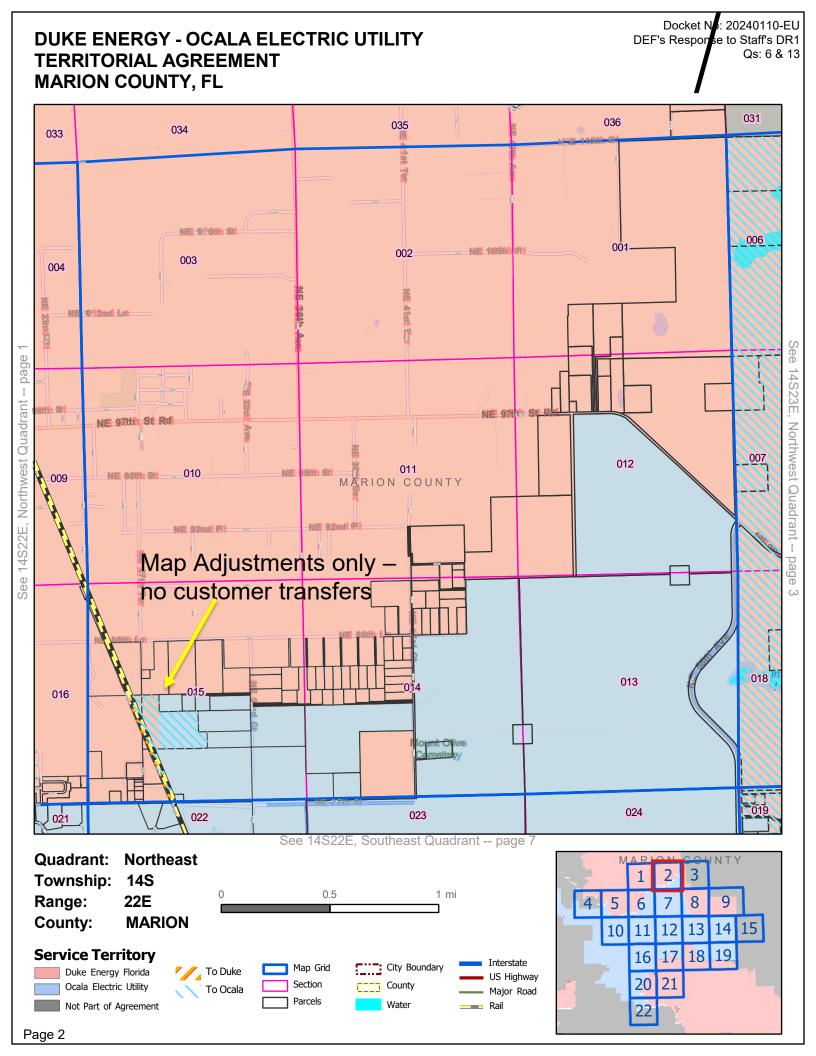


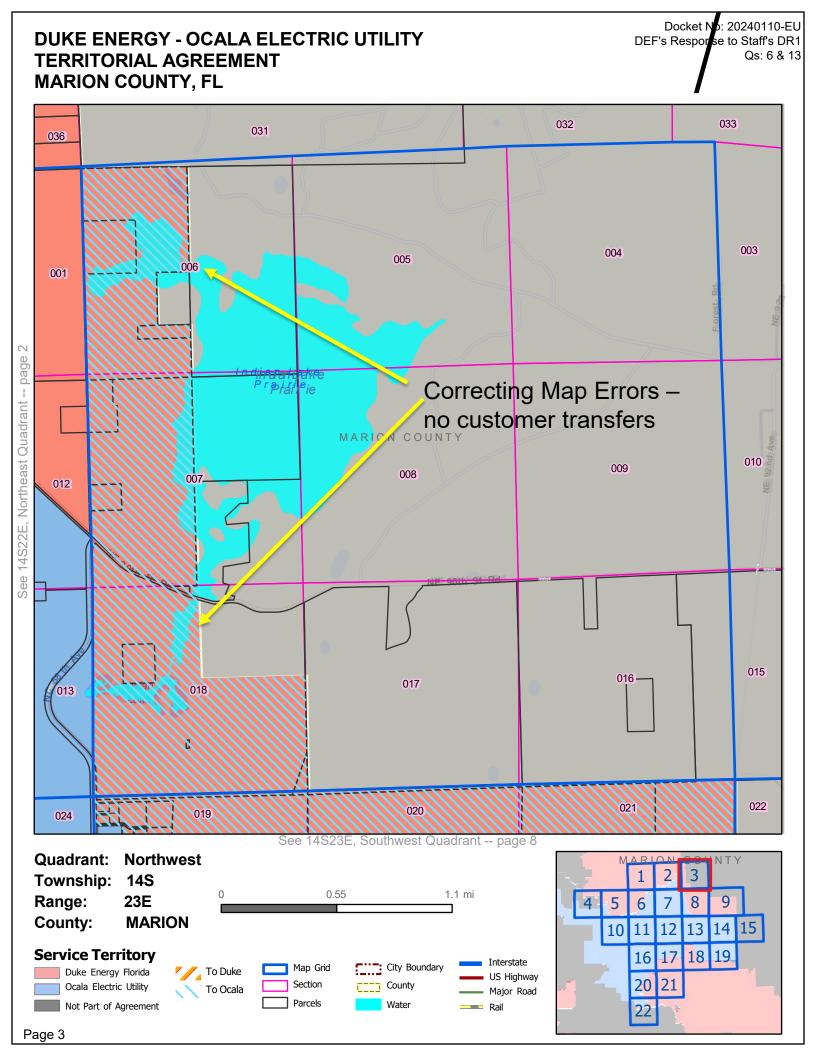
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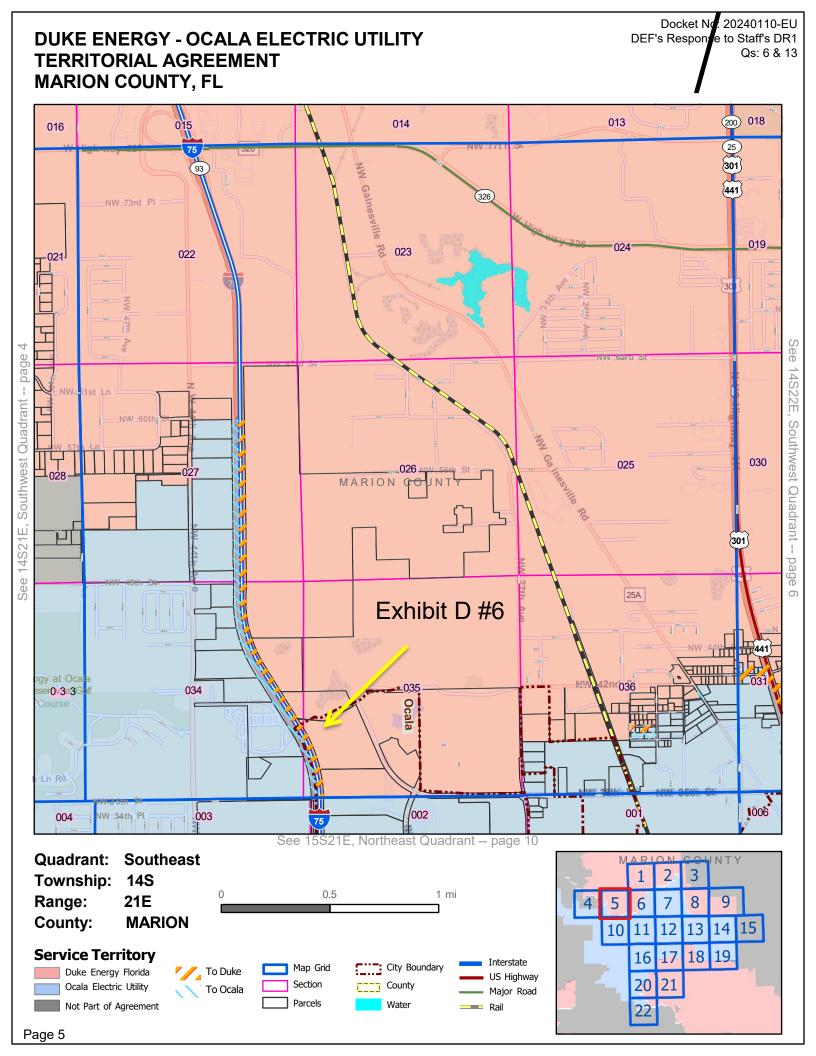


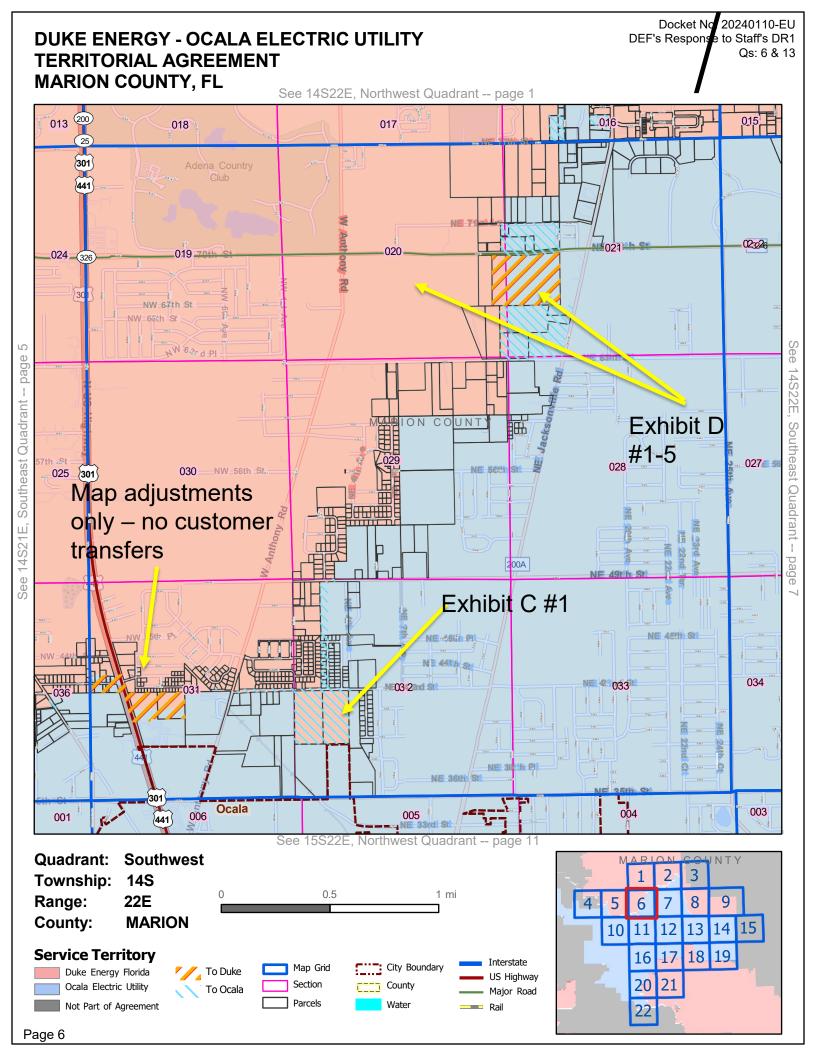


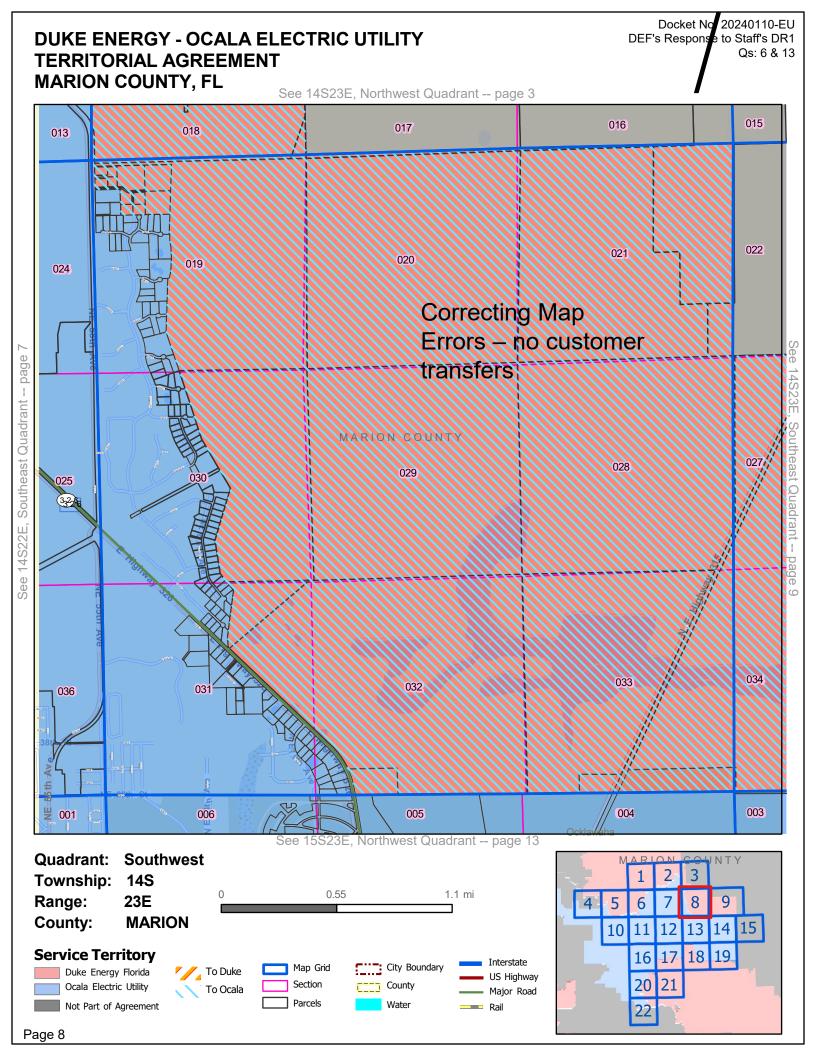


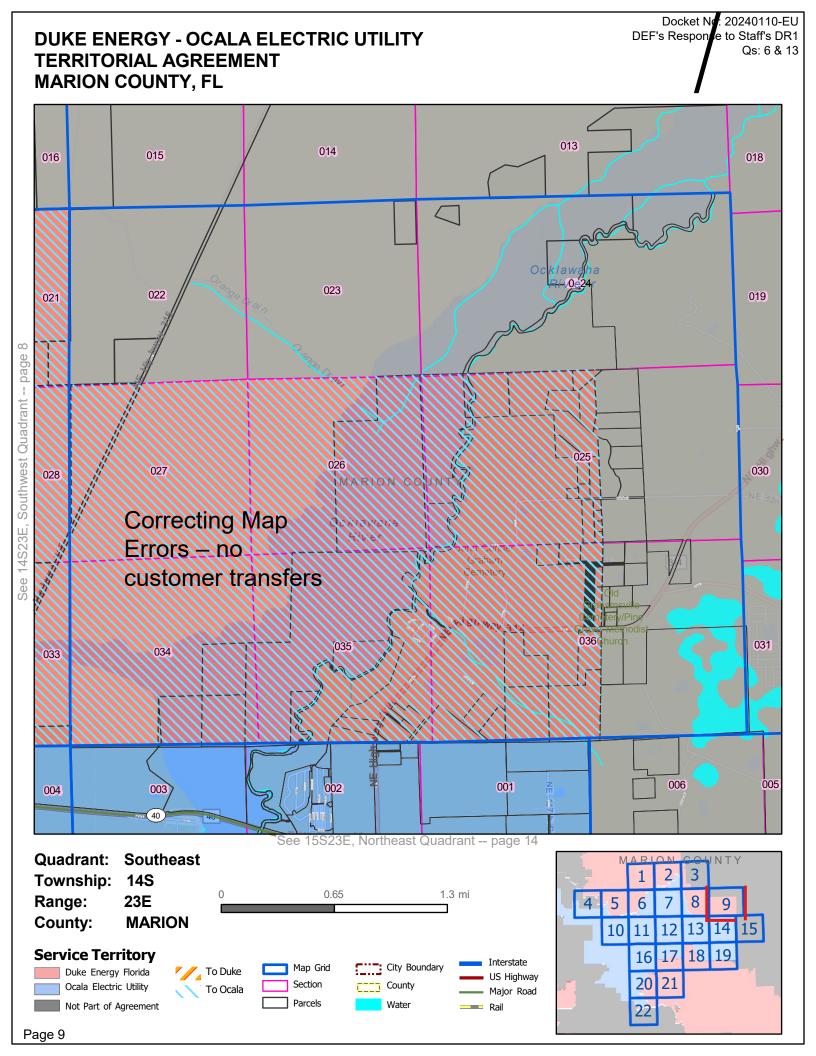


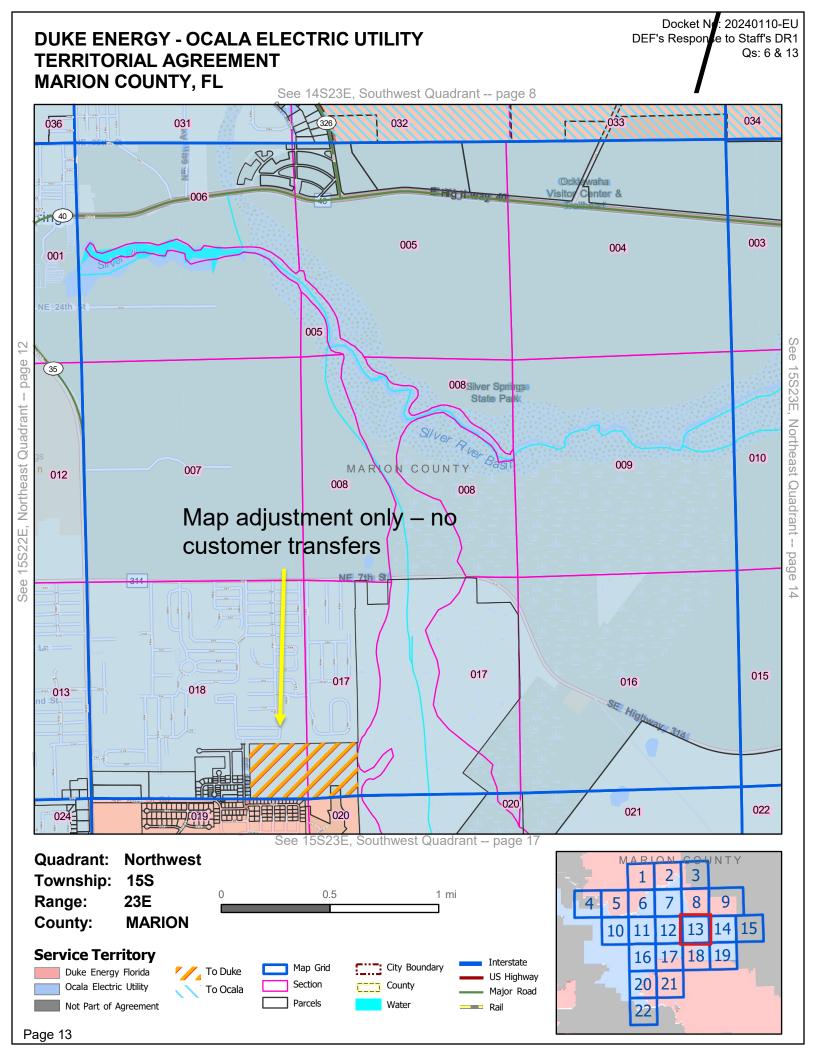






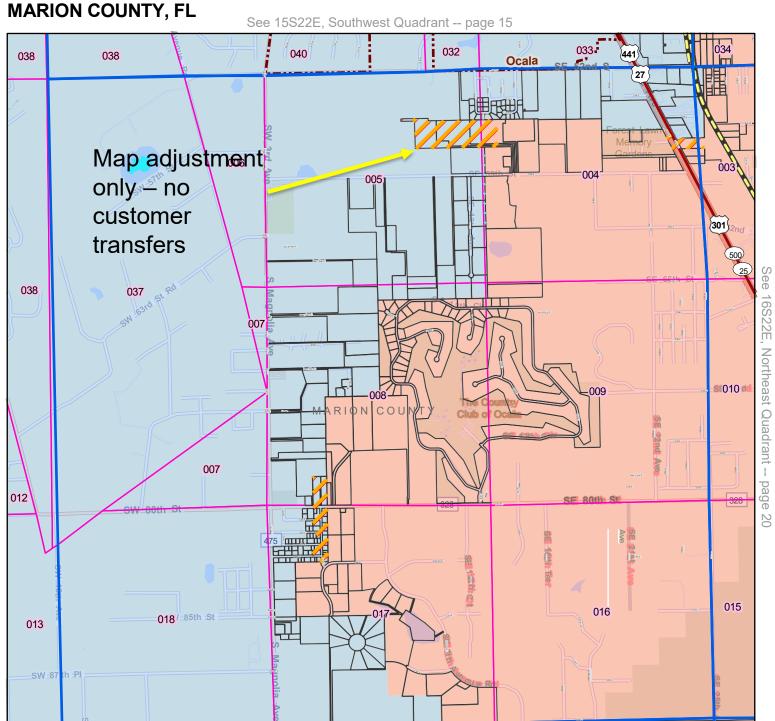




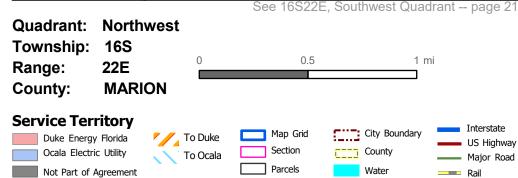


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DUKE ENERGY - OCALA ELECTRIC UTILITY TERRITORIAL AGREEMENT MARION COUNTY FI



020

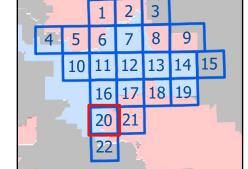


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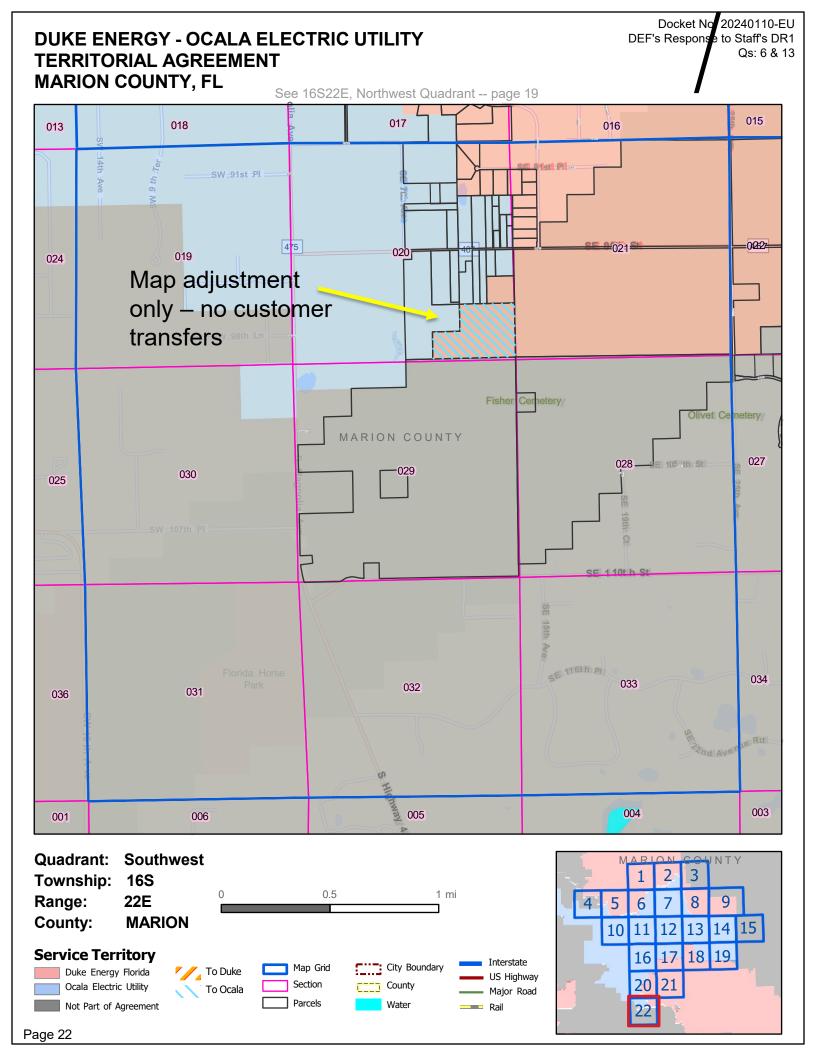
024

Page 20



021

022



Q: 12c Page 1 of 3



duke-energy.com 800.700.8744

Your Energy Bill

Service address

390 NE 42ND ST

OCALA FL 34479

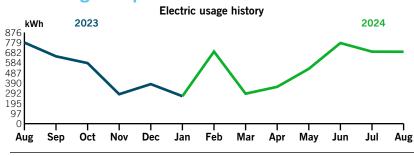
Bill date Aug 22, 2024 For service Jul 20 - Aug 20 32 days

Account number 9101 2358 4838

Billing summary

Previous Amount Due	\$111.10
Payment Received Jul 30	-111.10
Current Electric Charges	108.11
Taxes	2.86
Total Amount Due Sep 12	\$110.97

Your usage snapshot



Average temperature in degrees

02	70	/ 1	03	00	37	57	00	09	70	01	01	02
			Current	Month	Aug	2023	12-N	Ionth U	sage	Avg Mo	nthly l	Jsage
Electric	(kWh)		69	91	7	779		6,176			515	
Avg. Da	aily (kW	/h)	2	2		26		17				
12-mo	nth usa	ge l	based on	most re	cent h	istory						

\$

Thank you for your payment.

Duke Energy Florida utilized fuel in the following proportions to generate your power: Coal 8.7%, Purchased Power 6.2%, Gas 79.5%, Oil 0.1%, Nuclear 0%, Solar 5.5% (For prior 12 months ending June 30, 2024).

Take charge of your home's energy use this summer. Discover ways you can save with our helpful solutions and tips at duke-energy.com/ SummerTips

Please return this portion with your payment. Thank you for your business



Duke Energy Return Mail PO Box 1090 Charlotte, NC 28201-1090 9101 2358 4838

Mail your payment at least 7 days before the due date or pay instantly at duke-energy.com/billing. Late payments are subject to a \$5.00 or 1.5%, late charge, whichever is greater.

Amount due

\$110.97 by Sep 12

After Sep 12, the amount due will increase to \$115.97.

Add here, to help others with a contribution to Share the Light

Amount enclosed

390 NE 42ND ST OCALA FL 34479-2320 Duke Energy Payment Processing PO Box 1094 Charlotte, NC 28201-1094

Account number



Your usage snapshot - Continued

Current electric usage for meter number 4130771			
Actual reading on Aug 2	0	37866	
Previous reading on Jul	20	- 37175	
Energy Used		691 kWh	
Billed kWh	691.000 kWh		

Billing details - Electric

Billing Period - Jul 20 24 to Aug 20 24	
Meter - 4130771	
Customer Charge	\$12.89
Energy Charge	
691.000 kWh @ 9.171c	63.38
Fuel Charge	
691.000 kWh @ 4.372c	30.21
Asset Securitization Charge	
691.000 kWh @ 0.236c	1.63
Total Current Charges	\$108.11

Your current rate is Residential Load Mgt (RSL-1).

For a complete listing of all Florida rates and riders, visit dukeenergy.com/rates

Billing details - Taxes

Regulatory Assessment Fee Gross Receipts Tax	\$0.09 2.77
Total Taxes	\$2.86



City of Ocala - Municipal Services 201 SE 3rd St. OCALA FL 34471-2174

Please check box if you would like to make a contribution to Neighbors Who Care Energy Program, then complete registration on the reverse. For details on this program please visit www.ocalafl.org or call (352) 629-2489.

Please check box if you have made updates to phone, mailing address or email address on the

1672 NE 70TH ST OCALA, FL 34479-1370 Docket No: 20240110-EU DEF's Response to Staff's DR1

Q: 12c Page 1 of 2

E-BILLING

Account Number		529275 - 190459
Billing Date		07/26/2024
Current Charges - Due 08	/15/2024	\$277.63
Total Amount Due		\$277.63
Amount Enclosed	AUTOPAY – I	OO NOT PAY

5% LATE CHARGE ADDED IF PAYMENT IN FULL NOT RECEIVED BY THE DUE DATE RETURN TOP PORTION WITH CHECK PAYABLE TO CITY OF OCALA

CITY OF OCALA 201 SE 3RD ST OCALA, FL 34471-2174

529275190459000277634

ACCOUNT SUMMARY	
Customer Name	
Account Number	529275 - 190459
Billing Date	07/26/2024
Previous Balance	197.44
Payments:	-197.44
Current Bill Charges - Due 08/15/2024	277.63
Total Amount Due	\$277.63

MESSAGES

Now, through July 31st, going paperless billing enters you to win 1 of 12 prizes. Payers already enrolled in paperless billing will be entered to win. Visit the customer service office page at www.ocalafl.gov to register for paperless billing via Invoice Cloud.

SERVICE DETAILS FOR 1672 NE 70TH ST DETAIL OF METERED SERVICES Electric - Electric Residential horse barn SERVICE FROM: 06/21/2024 - 07/23/2024 Meter # 114002 **Usage Graph** (Shown in kWh) **Electric Service Charge** 20.00 **Energy Charges** 133 kWh X \$0.10126/kWh 13.47 Consumption PCA 133 kWh X \$0.02815/kWh 3.74 Florida Gross Receipts Tax 0.95 **Electric Surcharge** 3.81 \$41.97 **Electric Subtotal Electric - Electric Residential** SERVICE FROM: 06/21/2024 - 07/23/2024 Meter # 117404 **Usage Graph** (Shown in kWh) **Electric Service Charge** 20.00 **Energy Charges** 1248 kWh X \$0.10126/kWh 126.37 PCA 1248 kWh X \$0.02815/kWh 35.13 Florida Gross Receipts Tax 4.65 **Electric Surcharge** 18.61 \$204.76 **Electric Subtotal** SERVICE FROM: 06/21/2024 - 07/23/2024 **Electric - General Service GATE OPENER** Meter # 329128 23.00 **Usage Graph** Electric Service Charge (Shown in kWh) **Energy Charges** 18 kWh X \$0.10310/kWh 1.86 PCA 18 kWh X \$0.02815/kWh 0.51 Florida Gross Receipts Tax 0.65 Electric Surcharge 2.60 State Sales Tax - Energy 2.28 \$30.90 **Electric Subtotal**



City of Ocala - Municipal Services 201 SE 3rd St. OCALA FL 34471-2174

Please check box if you would like to make a contribution to Neighbors Who Care Energy Program, then complete registration on the reverse. For details on this program please visit www.ocalafl.org or call (352) 629-2489.

Please check box if you have made updates to phone, mailing address or email address on the

PO BOX 4013 OCALA, FL 34478-4013

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E-BILLING

Account Number	55	6357 - 115323
Billing Date		07/26/2024
Current Charges - Due 08	3/15/2024	\$29.46
Total Amount Due		\$29.46
Amount Enclosed	AUTOPAY – DO NOT	PAY

5% LATE CHARGE ADDED IF PAYMENT IN FULL NOT RECEIVED BY THE DUE DATE RETURN TOP PORTION WITH CHECK PAYABLE TO CITY OF OCALA

CITY OF OCALA 201 SE 3RD ST OCALA, FL 34471-2174

556357115323000029466

ACCOUNT SUMMARY	
Customer Name	
Account Number	556357 - 115323
Billing Date	07/26/2024
Previous Balance	28.97
Payments:	-28.97
Current Bill Charges - Due 08/15/2024	29.46
Total Amount Due	\$29.46

MESSAGES

Now, through July 31st, going paperless billing enters you to win 1 of 12 prizes. Payers already enrolled in paperless billing will be entered to win. Visit the customer service office page at www.ocalafl.gov to register for paperless billing via Invoice Cloud.

SERVICE DETAILS FOR 1274 NE 70TH ST WELL DETAIL OF METERED SERVICES Electric - General Service well SERVICE FROM: 06/21/2024 - 07/23/2024 Meter # 335180 **Usage Graph** (Shown in kWh) **Electric Service Charge** 23.00 **Energy Charges** 9 kWh X \$0.10310/kWh 0.93 Consumption PCA 9 kWh X \$0.02815/kWh 0.25 Florida Gross Receipts Tax 0.62 **Electric Surcharge** 2.49 State Sales Tax - Energy 2.17 \$29.46 **Electric Subtotal kWh Consumption Data** Meter# Read Type **Current Read Date** Current Read Prior Read Date Difference Multiplier **Total Consumption** Prior Read 335180 07/23/2024 5709 06/20/2024 5700 9 1 9 **METERED SERVICES SUBTOTAL:** \$29.46 29.46 SERVICE ADDRESS TOTAL: 1274 NE 70TH ST WELL OCALA, FL