

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Joint petition for approval of territorial agreement in Gadsden County by Talquin Electric Cooperative, Inc. and Town of Havana. | DOCKET NO. 060034-EU
ORDER NO. PSC-06-0341-PAA-EU
ISSUED: April 24, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

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 January 12, 2006, Talquin Electric Cooperative, Inc. (Talquin) and the Town of Havana, Florida (Havana) filed a joint petition for approval of a territorial agreement to delineate their service territories in and around Havana in Gadsden County. Executed in October, 2005, the agreement has a term of 20 years and contemplates approval by the Commission before it becomes effective. We have jurisdiction pursuant to section 366.04(2), Florida Statutes.

This is the first territorial agreement between Talquin and Havana. In 1992, the Commission resolved a territorial dispute over service to a new middle school in Gadsden County, and in the order resolving the dispute the Commission encouraged Talquin and Havana to discuss territorial issues with the goal of establishing a territorial agreement.¹ While no agreement was forthcoming, there have not been any other disputes in the last 14 years. Now the parties assert that their electric facilities are contiguous in Gadsden County, and an agreement is necessary to prevent duplication of facilities and the safety and economic problems that duplication can create.

¹ Order No. PSC-92-1474-FOF-EU, issued December 21, 1993, in Docket No. 920214-EU, In re: Petition to resolve territorial dispute between Talquin Electric Cooperative, Inc. and Town of Havana.

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In their joint petition the parties assert that there is no reasonable likelihood that the territorial agreement will cause a decrease in reliable electric service to existing or future customers of Talquin or Havana. They also assert that the agreement will ensure there is no uneconomic duplication of facilities and will prevent future disputes and uncertainties. Further, no transfer of customers or facilities will occur under the terms of the agreement. The agreement will not be effective until approved by the Commission, and it will have a term of twenty years beginning on that date.

Pursuant to section 366.04(2)(d), Florida Statutes, we have the jurisdiction to approve territorial agreements between and among rural electric cooperatives, municipal electric utilities, and other electric utilities. Rule 25-6.0440(2), Florida Administrative Code, provides that in approving territorial agreements, the Commission may consider the reasonableness of the purchase price of any facilities being transferred, the likelihood that the agreement will not cause a decrease in the reliability of electric service to existing or future ratepayers, and the likelihood that the agreement will eliminate existing or potential uneconomic duplication of facilities. Unless we determine that the agreement will cause a detriment to the public interest, the agreement should be approved. Utilities Commission of the City of New Smyrna v. Florida Public Service Commission, 469 So. 2d 731 (Fla. 1985). In this instance, the territorial agreement proposed by Talquin and Havana does not propose the transfer of any customers or facilities. It eliminates existing or potential uneconomic duplication of facilities, and does not cause a decrease in the reliability of electric service to existing or future ratepayers. We find that the territorial agreement, contained in Attachment A to this Order, and incorporated by reference herein, is in the public interest and we approve it.

Based on the foregoing, it is

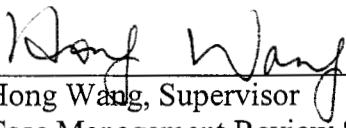
ORDERED by the Florida Public Service Commission that the Joint petition for approval of territorial agreement in Gadsden County by Talquin Electric Cooperative, Inc. and Town of Havana is granted. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 24th day of April, 2006.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: 

Hong Wang, Supervisor
Case Management Review Section

(S E A L)

MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 15, 2006.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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