

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for approval of territorial agreement in Marion County, by City of Ocala and Duke Energy Florida, LLC.

DOCKET NO. 20240110-EU
ORDER NO. PSC-2024-0488-PAA-EU
ISSUED: November 25, 2024

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING JOINT PETITION FOR APPROVAL OF 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 (F.A.C.).

Background

On August 2, 2024, the City of Ocala, Florida d/b/a Ocala Electric Utility (Ocala) and Duke Energy Florida, LLC (DEF), collectively the joint petitioners or utilities, filed a petition seeking our approval of a Territorial Agreement in Marion County, Florida (2024 Territorial Agreement). The 2024 Territorial Agreement provides details on the boundary line changes and also proposes a total of seven customer transfers (one customer from DEF to Ocala, and six customers from Ocala to DEF). The joint petitioners regard these seven customers as extra-territorial customers, since their point of use is in one party's territory, but they are receiving service from the other party. In its petition, the joint petitioners provided sample customer notifications that were sent to each of the customers who are subject to being transferred. The letters were issued to comply with Rule 25-6.0440(1)(d), F.A.C. The proposed Agreement, maps depicting the new territorial boundaries, and written descriptions are attached hereto as Attachment A, attached hereto.

Since 2009, Ocala and DEF have been parties to a territorial agreement that expired in 2019. We approved that agreement by Order No. PSC-09-0485-CO-EU, dated July 7, 2009.¹ In early 2017, the joint petitioners began negotiations on a new territorial agreement to replace the 2009 Agreement. Although the 2009 Agreement expired, the parties have continued to meet their obligations under it while negotiations towards the new Territorial Agreement were underway.²

Both Ocala and DEF acknowledge that their current respective Geographic Information System (GIS) mapping systems offer more precision than prior mapping resources, and at various times, both have inadvertently connected a very small number of customers who are located in the other utility's territory. As discussed herein, the negotiated 2024 Territorial Agreement includes boundary line changes that acknowledge these inadvertent connections. Other boundary lines changes address mapping discrepancies and split parcels along the territorial boundaries. Through sharing of GIS mapping files, the joint petitioners are currently able to evaluate whether service addresses are located within or outside either utility's respective service territory, which greatly enhances their ability to prevent future inadvertent connections.

During the review process, our staff issued two data requests to the joint petitioners, for which responses were received August 30, 2024 and September 30, 2024. The proposed 2024 Territorial Agreement establishes the new territorial boundaries reflecting the assets and customer transfers between the joint petitioners. We have jurisdiction over this matter pursuant to Section 366.04, Florida Statutes (F.S.).

Decision

Pursuant to Section 366.04(2)(d), F.S., and Rule 25-6.0440(2), F.A.C., we have jurisdiction to approve territorial agreements between and among rural electric cooperatives, municipal electric utilities, and other electric utilities. Unless we determine that the agreement will cause a detriment to the public interest, the agreement shall be approved.³

Compliance with Rule 25-6.0440(2), F.A.C.

Rule 25-6.0440(2), F.A.C., addresses the standards we may consider for approving territorial agreements for electric utilities. The Rule states:

- (2) In approving territorial agreements, the Commission may consider:
 - (a) The reasonableness of the purchase price of any facilities being transferred;
 - (b) The reasonable likelihood that the agreement, in and of itself, will not cause a decrease in the reliability of electrical service to the existing or future ratepayers of any utility party to the agreement;

¹ Order No. PSC-09-0485-CO-EU., issued July 6, 2009, in Docket No. 080724-EU, *In re: Joint petition for approval of territorial agreement in Marion County by Ocala Electric Utility and Progress Energy Florida, Inc.*

² Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 2.a.

³ *Utilities Commission of the City of New Smyrna Beach v. Florida Public Service Commission*, 469 So. 2d 731 (Fla. 1985).

- (c) The reasonable likelihood that the agreement will eliminate existing or potential uneconomic duplication of facilities; and
- (d) Any other factor the Commission finds relevant in reaching a determination that the territorial agreement is in the public interest.

Proposed 2024 Territorial Agreement

Ocala and DEF executed the proposed 2024 Territorial Agreement on August 2, 2024, to replace the 2009 Agreement which expired in July 2019. Upon our approval, the proposed 2024 Territorial Agreement will supersede the 2009 Agreement and all other prior agreements between the joint petitioners in Marion County. Through the proposed 2024 Territorial Agreement, the joint petitioners seek to (1) transfer certain customers to address errors each utility made in connecting and serving customers that were located in the geographic area of the other utility and (2) make minor boundary changes to correct mapping errors and address split parcels, in order to more clearly delineate the respective service areas each utility serves.⁴ These combined objectives are expected to aid the utilities in eliminating circumstances that give rise to the uneconomic duplication of service facilities and hazardous situations.

Pursuant to Section 6.0, the proposed 2024 Territorial Agreement will remain in effect for 20 years from date that our order approving the agreement in its entirety is no longer subject to judicial review. Upon the expiration of the initial 20-year term, pursuant to Section 6.0, the agreement shall remain in effect unless either party provides written notice of termination at least 12 months prior to the termination of the Agreement in accordance with the Section 8.2.

Proposed Boundary Changes

The joint petitioners assert that the proposed boundary line changes are minor, and there are two main reasons for them.⁵ First, minor changes are needed to implement the transfer of the seven extra-territorial customers and to accommodate the 54 inadvertently-served customers who will not be transferring. Second, other proposed boundary line changes are proposed to address mapping discrepancies (errors) and consolidate parcels that were previously split.⁶ Maps depicting the proposed boundary lines are shown in Attachment B, attached hereto.⁷

Regarding the proposed boundary changes to accommodate customer transfers, the joint petitioners contend that the inadvertent connections were the result of human error in interpreting older paper boundary maps, or because one utility or the other did not have facilities at/near the service address at the time service was requested by the customer.⁸ The joint petitioners contend that the proposed changes to accommodate customer transfers will accomplish the objectives of avoiding duplication of services and wasteful expenditures, as well as to best protect the public

⁴ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 3.a.

⁵ The joint petitioners provided maps in their application in conformity with Rule 25-6.0440(1)(f), F.A.C., that show their proposed boundary lines.

⁶ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 6.

⁷ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No.13.

⁸ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 5.c.

health and safety from potentially hazardous conditions.⁹ Other proposed boundary line changes are on vacant land parcels that are unrelated to the seven extra-territorial customers proposed to be transferred.

The joint petitioners are also proposing boundary line adjustments that rectify mapping discrepancies and errors. The utilities propose to do this, in part, by eliminating or greatly reducing the number of split parcels in one or the other utility's service territory. They contend that split parcels lead to confusion regarding which utility should serve a portion or all of a parcel, whereas, if a negotiated map adjustment eliminated the split and incorporated a whole parcel, such confusion would be averted.¹⁰ In addition, other adjustments are proposed to clarify (or re-draw) parcels where needed, and also to make adjustments that would remove the need for duplicative facilities.¹¹

Through their careful review of GIS-based resources, the joint petitioners also determined their existing maps had errors in them. Specifically, these errors were parcels or land areas that were shown on the old and outdated resources as part of one utility's service territory, and the GIS-based resource indicated the parcels are legally part of another utility's service territory.¹² The joint petitioners are in agreement as to the nature of the mapping errors and that such errors should be corrected. The utilities also reported that detailed GIS-based mapping that each utility uses, along with written descriptions included in the 2024 Territorial Agreement, will help to avoid similar errors on a going-forward basis.¹³

Inadvertently Served Customers Not Proposed to be Transferred

A total of 54 customers are being inadvertently served, which means their respective point of connection for receiving electrical service is located outside of their utilities' currently approved service territory. The joint petitioners have forged boundary line changes to avert the need for customer transfers by either utility so that these customers may continue to receive service from their current utility rather than be transferred. DEF currently provides inadvertent service to 41 customer who are not proposed to be transferred to Ocala. These DEF customers are reflected on the current territorial maps as being located in Ocala's service territory, although proposed map adjustments allow these customers to continue to be served by DEF. Likewise, a total of 13 customers with service addresses in DEF's territory are currently being served by Ocala. Map adjustments are proposed that will avert the need for implementing transfers.¹⁴ The joint petitioners state that many of the inadvertently served customers are in areas where there were split parcels, and because the proposed boundary line changes are addressing those parcels, these inadvertently served customers are not being transferred because the existing facilities are

⁹ Docket No. 20240110-EU, *In re: Joint petition for approval of territorial agreement in Marion County, by City of Ocala and Duke Energy Florida, LLC.*

¹⁰ Document No. 09305-2024, joint petitioners' response to our staff's second data request, No. 5.a.

¹¹ Document No. 09305-2024, joint petitioners' response to our staff's second data request, No. 6.a.

¹² Document No. 09305-2024, joint petitioners' response to our staff's second data request, No. 6.a.

¹³ Document No. 09305-2024, joint petitioners' response to our staff's second data request, No. 6.i.

¹⁴ Document No. 09305-2024, joint petitioners' response to our staff's second data request, No. 2.

in place and it makes “operational sense” that they continue to be served by their current utility.¹⁵ Pursuant to Section 1.8 of the Agreement, the joint petitioners clarified that there are no Temporary Service Customers currently being serviced by either party.¹⁶ Temporary Service Customers are defined in the Territorial Agreement as customers who are being temporarily served under the temporary service provisions of the Agreement.

Proposed Seven Customer Transfers

The proposed customer transfers under the 2024 Territorial Agreement are the result of negotiations between the parties, with the intent of avoiding duplication of services and wasteful expenditures, as well as to best protect the public health and safety from potentially hazardous conditions. A total of seven active customer accounts are proposed to be transferred, one from DEF to Ocala and six customer accounts are proposed to be transferred from Ocala to DEF.¹⁷

DEF to Ocala Customer Transfer (one customer)

The one active DEF customer account that is proposed to be transferred to Ocala, as shown in Exhibit C of the proposed Territorial Agreement, is a residential class customer whose service was established in 2021.¹⁸ At that time, DEF relied upon its then-current mapping resources, which included older paper boundary maps approved by us in 2009 that indicated that the service address was within its franchised service territory.¹⁹ More correct GIS-based mapping resources now indicate that the original connection was in error, and the proposed transfer pursuant to the 2024 Territorial Agreement corrects this.²⁰

Ocala to DEF Customer Transfers (six customers)

The six active Ocala customer accounts that are proposed to be transferred to DEF were connected at various times, some dating back to 1995.²¹ Exhibit D of the proposed Territorial agreement reflects that three of the customer locations shown are receiving service as commercial class customers and the other three are receiving service as residential class customers. Ocala also stated that the serving utilities relied on mapping sources that were current at the time, and have since been enhanced.²²

¹⁵ Document No. 09305-2024, joint petitioners’ response to our staff’s second data request, No. 5.a.

¹⁶ Document No. 08767-2024, joint petitioners’ response to our staff’s first data request, No. 7.

¹⁷ Docket No. 20240110-EU, *In re: Joint petition for approval of territorial agreement in Marion County, by City of Ocala and Duke Energy Florida, LLC.*

¹⁸ Document No. 08767-2024, joint petitioners’ response to our staff’s first data request, No. 5.b.

¹⁹ Order No. PSC-09-0485-CO-EU., issued July 6, 2009, in Docket No. 080724-EU, *In re: Joint petition for approval of territorial agreement in Marion County by Ocala Electric Utility and Progress Energy Florida, Inc.*

²⁰ Docket No. 20240110-EU, *In re: Joint petition for approval of territorial agreement in Marion County, by City of Ocala and Duke Energy Florida, LLC.*

²¹ Document No. 08767-2024, joint petitioners’ response to our staff’s first data request, No. 5.a.

²² Document No. 08767-2024, joint petitioners’ response to our staff’s first data request, No. 5.c and 5.d.

The joint petitioners also share their mapping files with one another as an effort to make sure there is no disagreement on the exact boundaries. Both parties intend to continue using these mapping tools and share data as an ongoing practice to avert errant connections prospectively.²³

Implementation and Customer Notifications

The joint petitioners state that there will be no customer transfers until we approve the joint petition. Although specific details regarding the transfer of facilities have not been developed yet, the joint petitioners state that upon our approval of the 2024 Territorial Agreement, the customer transfers will be coordinated to take place over a 36-month period.²⁴

Pursuant to Rule 25-6.0440(1)(d), F.A.C., DEF notified its one customer of the proposed transfer to Ocala, and Ocala informed its designated 6 customers of their proposed transfer to DEF. The customer notification letters dated March 19, 2024, provided information on the general service rate changes that would be applicable under their proposal. As of August 2024, the residential service rate was \$0.09171 per kilowatt hours (kWh) for DEF customers and \$0.10126 per kilowatt hours (kWh) for Ocala customers, a difference of about \$.00955 per kWh (approximately a 10 percent difference). On a comparative basis, for a typical residential customer using 1,000 kWh per month, a DEF customer would be paying \$91.71 per month, and an Ocala customer would be paying \$101.26, a difference of \$9.55 per month. For a commercial class customer, DEF's general service rate is \$0.07332 per kWh, and the comparable charge for Ocala is \$.10310 per kWh (approximately a 34 percent difference).

As of our vote on this matter, we had not received correspondence from customers related to the proposed transfers. The joint petitioners assert they have not received any written correspondence from customers related to the proposed transfers. They also assert that at least 30 days prior to the actual transfer, the affected customers will receive a second notification of the transfer. The joint petitioners assert that no additional charges will be imposed on those customers that will be transferred.²⁵ We find that DEF and Ocala have met their obligations of providing notification pursuant to Rule 25-6.0440(1)(d), F.A.C., and both commit to doing so again when the specific transfer is eminent.

Standards of Approval

Construction cost estimates or detailed engineering drawings were not presented to us for review. The joint petitioners stated that construction cost estimated or detailed engineering drawings have not been developed yet.²⁶ Upon approval of the proposed 2024 Territorial Agreement, the parties assert they will address which facilities are to be transferred or purchased, if any, and undertake a valuation of facilities subject to transfer. DEF and Ocala have mutually agreed to use an engineering cost estimation methodology to determine the value of facilities

²³ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 5.d.

²⁴ Docket No. 20240110-EU, *In re: Joint petition for approval of territorial agreement in Marion County, by City of Ocala and Duke Energy Florida, LLC.*

²⁵ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 10.c and 11.c.

²⁶ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 10.c and 11.c.

subject to transfer.²⁷ In our review of the agreement, we analyzed each component of Rule 25-6.0440(2), F.A.C. Regarding paragraph (2)(a), we note that no purchase price was presented for review. As a proxy, we note that the joint petitioners agreed to use an engineering cost estimation methodology to determine the value of facilities when the specific plans and technical drawings for implementing their Territorial Agreement are developed at a later time.²⁸ This methodology has been used by utility companies in the past, and has been approved by us.²⁹ Pursuant to Rule 25-6.0440(2)(b), F.A.C., the joint petitioners' confirmed that the availability and reliability of service to existing or future customers will not be decreased for either petitioner.³⁰ Additionally, both utilities confirmed that the 2024 Territorial Agreement would help them gain further operational efficiencies and customer service improvements in their respective retail service areas. The joint petitioners stated that the transfer of the one customer from DEF to Ocala would have the greatest operational impact, because the current DEF facilities to serve the customer runs across multiple private properties and heavily wooded areas.³¹

Under the proposed 2024 Territorial Agreement, the joint petitioners have made good faith efforts to minimize existing or potential uneconomic duplication of facilities, as referenced in Rule 25-6.0440(2)(c), F.A.C. Each joint petitioner provided tables and maps indicating the approximate distance between customer locations and primary facilities.³² The service address for the DEF customer subject to transfer to Ocala is about 200 feet from existing Ocala facilities, and when the transfer is implemented, the joint petitioners assert that about 550 feet of overhead facilities will no longer be needed and can be removed.³³ For the Ocala customers subject to transfer to DEF, the joint petitioners indicate DEF will serve these addresses via overhead and underground service lines. Three of the customer addresses are located about 1,700 feet from existing DEF facilities, and the other 3 are less than 1,000 feet from existing DEF facilities.³⁴

Rule 25-6.0440(2)(d), F.A.C., gives us the discretion to address any other relevant concerns that are case-specific.³⁵ In this case, a disparity of rates (based on a July to August 2024 bill example) exists that would result in certain customers paying more for service.³⁶ Pursuant to the 2024 Territorial Agreement, the customer transferring from DEF to Ocala would be paying rates that are about 10 percent higher than they are currently. Conversely, the 3 residential customers transferring from Ocala to DEF will be paying rates that are about 10 percent lower

²⁷ Docket No. 20240110-EU, *In re: Joint petition for approval of territorial agreement in Marion County, by City of Ocala and Duke Energy Florida, LLC*

²⁸ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 10.c and 11.c.

²⁹ The joint petitioners have agreed to use a cost escalator, such as the Handy Whitman Index, or common engineering cost estimation methodology. See Docket No. 20240110-EU, *In re: Joint petition for approval of territorial agreement in Marion County, by City of Ocala and Duke Energy Florida, LLC*

³⁰ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 1.c.

³¹ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 3.b.

³² Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 10.a and 11.a.

³³ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 10.b.

³⁴ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 11.b.

³⁵ *AmeriSteel Corp. v. Clark*, 691 So. 2d 473, 480 (Fla. 1997). (“[T]he Commission was fully apprised of AmeriSteel's corporate interest in obtaining lower electricity rates before deciding to approve the JEA-FPL agreement.”)

³⁶ Document No. 08767-2024, joint petitioners' response to our staff's first data request, No. 12.c.

than they are currently.³⁷ Although we are cognizant of the rate impact on customers, we have consistently adhered to the principle set forth in *Storey v. Mayo*, 217 So. 2d 304, 307-308 (Fla. 1968), and reaffirmed in *Lee County Electric Cooperative v. Marks*, 501 So. 2d 585 (Fla. 1987), that no person has a right to compel service from a particular utility simply because he believes it to be to his advantage. The Court went on to say in *Lee County* that “larger policies are at stake than one customer's self-interest, and those policies must be enforced and safeguarded by the Florida Public Service Commission.” *Lee County Electric Cooperative*, at 587.³⁸

The joint petitioners are optimistic that with modern mapping resources and advancements in GIS technology, instances of inadvertent connection can be greatly reduced or eliminated.³⁹ Both parties have put in effort to correct certain errors made by both entities over a long period of time. We find that the 2024 Territorial Agreement is reasonable and a product of thoughtful negotiation.

Conclusion

We shall approve the proposed 2024 Territorial Agreement between Ocala and DEF in Marion County, dated August 2, 2024, as consistent with the Standards for Approval pursuant to Rule 25-6.0440(2), F.A.C. The proposed territorial agreement amends the respective boundary between these utilities to more clearly delineate their service territories, while also resolving ongoing matters related to inadvertently served customers. Moreover, approval of the 2024 Territorial Agreement would help the joint petitioners to gain further operational efficiencies and customer service improvements in their respective retail service territories, and to address circumstances giving rise to uneconomic duplication of service facilities and hazardous situations.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the proposed 2024 Territorial Agreement in Marion County, Florida between Ocala Electric Utility and the Duke Energy Florida, LLC, dated August 2, 2024, is hereby approved. 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 Commission Clerk, 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

³⁷ Document No. 08767-2024, joint petitioners’ response to our staff’s first data request, No. 12.c.

³⁸ See Order No. PSC-96-0755-FOF-EU, issued June 10, 1996, in Docket No. 19950307-EU, *In re: Petition to resolve a territorial dispute with Florida Power & Light Company in St. Johns County*, by Jacksonville Electric Authority.

³⁹ Document No. 08767-2024, joint petitioners’ response to our staff’s first data request, No. 5.e and 8.b.

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ORDERED that if no protest is filed by a person whose substantive interests are affected within 21 days of the issuance of this Order, this docket should be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 25th day of November, 2024.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

RPS

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 Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 16, 2024.

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.

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ELE/240252

ATTACHMENT 1

Territorial Agreement

**The City of Ocala through the
Ocala Electric Utility**

and

Duke Energy Florida, LLC

Marion County

DocuSign Envelope ID: 5A122AA4-D37E-4A8E-876A-6F34C9B5FC8C

ELE/240252

TERRITORIAL AGREEMENT

THIS TERRITORIAL AGREEMENT ("Agreement"), made and entered into this 2nd day of August, 2024, by and between the City of Ocala ("Ocala"), a Florida municipal corporation, and Duke Energy Florida, LLC, ("DEF"), a Florida corporation, each of which are corporations organized and existing under the laws of the State of Florida and that operate electric utilities as defined in, and whose retail service territories are subject to regulation pursuant to Chapter 366, Florida Statutes and which corporations are herein collectively called the "Parties;"

WITNESSETH:

WHEREAS, the City of Ocala, through the Ocala Electric Utility ("OEU"), by virtue of its Charter and legislative authority, is authorized and empowered to furnish electricity and power to its member, private individuals, corporations, and others, and pursuant to such authority, presently furnishes electricity and power to customers located in certain areas of Marion County, Florida; and

WHEREAS, DEF, is authorized, empowered and obligated by its corporate charter and laws of the State of Florida to furnish retail electric service to persons upon request within their respective service areas in Marion County, Florida; and

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WHEREAS, OEU and DEF were parties to a territorial agreement delineating their respective service territories in Marion County, Florida, which was approved by the Florida Public Service Commission (the "Commission") in Order No. PSC-09-0485-CO-EU, issued July 6, 2009, in Docket No. 080724-EU (the "Expired Agreement"). The Expired Agreement had a ten (10) year term until July 6, 2019; and

WHEREAS, the Parties desire to enter into a new Agreement to better serve their interests and the interests of their customers in realizing the planning, operational, and customer service benefits provided to their respective electric systems by a properly constructed, approved, and supervised territorial agreement; and

WHEREAS, the respective areas of retail service of the Parties hereto are contiguous in many places with the result that duplication of service facilities may occur in the future unless such duplication is precluded by virtue of this Agreement; and

WHEREAS, the Parties desire to clearly delineate the territorial boundaries in Marion County, Florida, in their entirety through this Agreement in order to gain further operational efficiencies and customer service improvements, while continuing to eliminate circumstances giving rise to the uneconomic duplication of service facilities and hazardous situations.

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WHEREAS, the Commission is empowered by the Florida legislature, pursuant to Section 366.04(2)(d), Florida Statutes, to approve territorial agreements, and the Commission, as a matter of long-standing regulatory policy, has encouraged territorial agreements between electric utilities subject to its jurisdiction based on its findings that such agreements, when properly established and administered by the Parties and actively supervised by the Commission, avoid uneconomic duplication of facilities, promote safe and efficient operations by utilities in rendering electric service provided to their customers, and therefore serve the public interest.

NOW, THEREFORE, in fulfilment of the purposes and desired 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 to the Agreement as follows:

ARTICLE I

DEFINITIONS

Section 1.0: Territorial Boundary Line(s). As used herein, the term "Territorial Boundary Line(s)" shall mean the boundary line(s) depicted on the maps attached hereto as Exhibit A which delineate and differentiate the Parties respective Territorial Areas in Marion County.¹

¹ A written description of the territorial boundaries is included in Exhibit B as required by Rule 25-6.0440(1)(a), F.A.C.

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Section 1.1: OEU Territorial Area. As used herein, the term "OEU Territorial Area" shall mean the geographic areas in Marion County, Florida, allocated to Ocala as its retail service territory and labeled "OEU Territorial Area" or "OEU" on the maps contained in Exhibit A.

Section 1.2: DEF Territorial Area. As used herein, the term "DEF Territorial Area" shall mean the geographic areas in Marion County, Florida, allocated to DEF as its retail service territory and labeled as "DEF Territorial Area" or "DEF" on the maps contained in Exhibit A.

Section 1.3: Point of Use. As used herein, the term "Point of Use" shall mean the location within the Territorial Area of a Party where a customer's end-use facilities consume electricity, wherein such Party shall be entitled to provide retail electric service under this Agreement, irrespective of where the customer's point of delivery or metering is located. The point of use and not the point of connect or metering shall be determinative as to who shall be the provider of the electric service under this Agreement.

Section 1.4: Transmission and Distribution Lines. As used herein, the term "Transmission Lines" shall mean all electric lines of either Party having a rating of 69 kV or greater. As used herein, the term "Distribution Lines" shall mean all electric lines of either Party having a rating up to but not including 69 kV.

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Section 1.5: New Customers. As used herein, the term "New Customers" shall mean all customers applying for retail electric service after the Effective Date of this Agreement at a Point of Use in the Territorial Area of either Party which has not previously been served by either utility.

Section 1.6: Existing Customer. As used herein, the term "Existing Customer" shall mean any customer receiving electric service from either OEU or DEF at the location for which the service is existent on the Effective Date of this Agreement.

Section 1.7: Extra-Territorial Customers. As used herein, the term "Extra-Territorial Customers" shall mean those customers whose point of use is located within the Territorial Area of one Party but which are receiving electrical service from the other Party on the Effective Date of this Agreement.

Section 1.8: Temporary Service Customers. As used herein, the term "Temporary Service Customers" shall mean those customers who are being temporarily served under the temporary service provisions of the Agreement.

Section 1.9: Commission. As used herein, the term "Commission" shall mean the Florida Public Service Commission.

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Section 1.10: Effective Date. As used herein, the term "Effective Date" shall mean the date on which the final Order of the Commission granting approval of this Agreement in its entirety becomes no longer subject to judicial review.

ARTICLE II

RETAIL ELECTRIC SERVICE

Section 2.0: In General. Except as otherwise specifically provided herein, OEU shall have the exclusive authority to furnish retail electric service within the OEU Territorial Area and DEF shall have the exclusive authority to furnish retail electric service within the DEF Territorial Area. The Territorial Boundary Line shall not be altered or affected by any change that may occur in the corporate limits of any municipality or county lying within the OEU or DEF Territorial Area, through annexation or otherwise, unless such change is agreed to in writing by the Parties and approved by the Commission.

Section 2.1: Service to New Customers. The Parties agree that neither of them will knowingly serve or attempt to serve any New Customer whose Point of Use is located within the Territorial Area of the other Party, except as specifically provided in Section 2.2 below.

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There are instances where the Territorial Boundary Line will traverse the property of a New Customer. The Parties recognize that in some instances, the information needed to locate the New Customer's various points of use in relation to the Territorial Boundary Line with reasonable certainty may be unavailable or difficult to determine, and agree that in such event, the Party with the greater portion of the New Customer's property in its Territorial Area, including where the preponderance of the Customer's electric energy usage is expected to occur, shall be entitled to serve all of the New Customer's usage.

Section 2.2: Temporary Service. The Parties recognize that in exceptional circumstances, economic constraints or good engineering practices may indicate that a New Customer's Point of Use either cannot or should not be immediately served by the Party in whose Territorial Area such Point of Use is located. In such instances, upon written request by the Party in whose Territorial Area the New Customer's Point of Use is located, the other Party may, in its sole discretion, agree in writing to temporarily provide service to such New Customer until such time as the requesting Party provides written notice of its intent to permanently serve the Point of Use.

Prior to the commencement of Temporary Service, the Party providing such service shall inform the New Customer of the temporary nature of its

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service and that the other Party will ultimately serve the New Customer. Such temporary service shall be discontinued upon written notice from the requesting Party of its intent to provide service. In conjunction with such discontinuance, the Party providing temporary service hereunder shall be compensated by the requesting Party in accordance with Section 3.3 for its distribution facilities used exclusively to provide such service. However, the Party providing temporary service hereunder shall not be required to pay the other Party for any loss of revenue associated with the provision of such temporary service.

Any such agreement for temporary service which lasts, or is anticipated to last, for more than one year shall be submitted to the Commission for approval.

Section 2.3: Referral of Service Request. In the event that a New Customer requests or applies for service from either Party to be provided to a Point of Use located in the Territorial Area of the other Party, the Party receiving the request or application shall advise the prospective New Customer that such service is not permitted under this Agreement as approved by the Commission and shall refer the New Customer to the other Party.

Section 2.4: Correction of Inadvertent Service Errors. If any situation is discovered during the term of this Agreement in which either Party is

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inadvertently providing retail electric service to a customer's Point of Use located within the Territorial Area of the other Party, service to such customer will be transferred to such other Party at the earliest practical time, but in any event within twelve (12) months of the date the inadvertent service error was discovered. Until service by the other Party can be reasonably established, the inadvertent service will be deemed to be temporary service provided and governed in accordance with Section 2.2 above.

ARTICLE III

TRANSFER OF CUSTOMERS AND FACILITIES

Section 3.0: In General. In order to achieve the operational efficiencies and other benefits contemplated by this Agreement in a timely manner, all Extra-Territorial Customers shall be transferred to the Party in whose Territorial Area such customers are located at the earliest practical time, consistent with sound utility practices and reasonable customer notice. The Parties expect the transfer of any Extra-Territorial Customers to be completed within thirty-six (36) months of the Effective Date and will notify the Commission in writing if circumstances require additional time to complete the transfer.

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The Extra-Territorial Customers currently served by DEF and subject to transfer to OEU pursuant to this Agreement are listed by the service address and/or other identifying factor in Exhibit C, attached hereto.

The Extra-Territorial Customers currently served by OEU and subject to transfer to DEF pursuant to this Agreement are listed by the service address and/or other identifying factor in Exhibit D, attached hereto.

In accordance with Rule 25-6.0440(1)(d), F.A.C., the affected customers subject to transfer have been sent written notification of this Agreement and the transfer provisions described above. Sample copies of the letters providing such notification are attached as Exhibit E.

Section 3.1: Reallocated Area. In the event circumstances arise during the Term of this Agreement in which the Parties agree that based on sound economic considerations or good engineering practices, an area located in the Territorial Area of one Party would be better served if reallocated to the Territorial Area of the other Party, the Parties shall jointly petition the Commission for approval of a modification of the Territorial Boundary Line. If approved by the Commission, this modification would place the area(s) in question ("Reallocated Area") within the Territorial Area of the other Party and the transfer of the customers located in the Reallocated Area to the other Party.

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Section 3.2: Transfer of Related Service Facilities. In conjunction with the transfer of Extra-Territorial Customers pursuant to Section 3.0 above, the receiving Party may elect to purchase the electric distribution facilities of the transferring Party used exclusively for providing electric service to the transferred customers for an amount determined in accordance with Section 3.3 below.

Section 3.3: Compensation for Transferred Facilities. If service facilities are transferred pursuant to Section 3.2 above, the receiving Party shall compensate the transferring Party an amount based upon the replacement cost (new), less depreciation calculated on a straight line basis over the life of the asset (facility) as determined from the transferring Party's books and records, and the cost to the transferring Party for reintegration of its remaining system to the extent such reintegration costs are reasonably required by sound utility practices. The replacement cost shall be determined by applying a cost escalator such as the Handy Whitman Index or a common engineering cost estimation methodology to the original cost, as long as both Parties apply the same escalation method.

Section 3.4: Transfer Closings. The Parties shall mutually agree on a closing date for each transfer, allowing sufficient time for the Parties to identify the customers and facilities to be transferred; to determine the compensation for transferred customers and facilities; and to prepare the

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appropriate closing statements, assignments and other instruments to transfer and convey the transferring party's interest in the electric distribution facilities to the receiving party pursuant to Section 3.3 above.

Section 3.5: Transfer Instruments. For each transfer made under this Agreement, the transferring Party will make, execute, and deliver to the receiving Party a conveyance, deed or other instrument of transfer, as is appropriate, in order to convey all rights, titles and interests of the transferring Party in any facilities, rights-of-way, easements, road permits, or other rights to the receiving Party.

ARTICLE IV

OPERATION AND MAINTENANCE

Section 4.0: Facilities to Remain. Other than as expressly provided for herein, no generating plant, transmission line, substation, distribution line or related equipment shall be subject to transfer or removal hereunder; provided, however, that each Party shall operate and maintain its lines and facilities in a manner that minimizes any interference with the operations of the other Party.

Section 4.1: OEU Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of OEU to serve any OEU or City of Ocala facility located in a DEF Territorial Area which

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is used exclusively in connection with OEU's business as an electric utility; provided, however, that OEU shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of DEF in the DEF Territorial Area.

Section 4.2: DEF Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of DEF to serve any DEF facility located in the OEU Territorial Area which is used exclusively in connection with DEF business as an electric utility; provided, however, that DEF shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of OEU in the OEU Territorial Area.

Section 4.3: Retail Service at Facility Sites. Where either Party serves any of its facilities located in the Territorial Area of the other Party pursuant to Sections 4.1 or 4.2 above, such Party may provide limited retail service on the site of the facility to prevent potential safety hazards or unsound operating conditions that would result from the construction and maintenance of lines and related facilities by the other Party to provide retail service at the site. As used in this section, limited retail service shall mean no more than three separate retail accounts with a combined load of 25 kW or less at any such site.

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ARTICLE V

PREREQUISITE APPROVAL

Section 5.0: Commission Approval. The provisions and the Parties performance of this Agreement are subject to the regulatory authority of the Commission, and appropriate approval by the Commission of this Agreement in its entirety shall be an absolute condition precedent to the validity, enforceability and applicability hereof. This Agreement shall have no effect whatsoever until Commission approval has been obtained, and the date of the Commission's final Order shall be deemed to be the effective date of this Agreement ("Effective Date"). Any proposed modification to this Agreement shall be submitted to the Commission for approval. In addition, the Parties agree to jointly petition the Commission to resolve any dispute concerning the provisions of this Agreement or the Parties performance hereunder.

Section 5.1: Liability in the Event of Disapproval. In the event approval of the Commission pursuant to Section 5.0 is not obtained, neither Party will have any claim against the other arising under this Agreement.

Section 5.2: Supersedes Prior Agreements. Upon approval by the Commission, this Agreement shall be deemed to specifically supersede all prior agreements between the Parties regarding their respective retail service areas in Marion County.

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ARTICLE VI

DURATION

Section 6.0: Term. This Agreement shall continue and remain in effect for a period of twenty (20) years from the Effective Date. After expiration of the twenty (20) year term provided herein, this Agreement shall remain in effect thereafter unless either Party provides written notice of Termination at least twelve (12) months prior to the termination of the agreement as contemplated by Section 8.2.

ARTICLE VII

CONSTRUCTION OF AGREEMENT

Section 7.0: Other Electric Utilities. Nothing in this Agreement is intended to define, establish or affect in any manner the right of either Party to furnish retail electric service with any other electric utility that is not a party to this Agreement. The Parties understand that OEU or DEF may, from time to time, and subject to Commission approval, enter into territorial agreements with other electric utilities that have adjacent or overlapping service areas and that, in such event, nothing herein shall be construed to prevent OEU or DEF from designating any portion of its Territorial Area under this Agreement as the retail service area of such other electric utility.

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Section 7.1: Bulk Power for Resale. Nothing herein shall be construed to prevent either Party from providing a bulk power supply for resale purposes, regardless of where the purchaser for resale may be located. Further, no other section or provision of this Agreement shall be construed as applying to a bulk power supply for resale purposes.

Section 7.2: Intent and Interpretation. It is hereby declared to be the purpose and intent of the Parties that this Agreement shall be interpreted and construed, among other things, to further this State's policy of actively regulating and supervising the service territories of electric utilities; supervising the planning, development, and maintenance of a coordinated electric power grid throughout Florida; avoiding uneconomic duplication of generation, transmission and distribution facilities; and encouraging the installation and maintenance of facilities necessary to fulfill the Parties respective obligations to serve.

Section 7.3: Public Records Law. DEF acknowledges Ocala's obligations under Article I, Section 24, Florida Constitution and Chapter 119, Florida Statutes, to release public records to members of the public upon request. DEF acknowledges that Ocala is required to comply with Article I, Section 24, Florida Constitution and Chapter 119, Florida Statutes, in the handling of the materials created under this Agreement and that said statute controls over the terms of this Agreement.

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Section 7.4: Statutory Liability Cap. Nothing herein is intended to act as a waiver of Ocala's sovereign immunity or the limits of liability set forth in Section 768.28 of the Florida Statutes regardless of whether any such obligations are based in tort, contract, statute, strict liability, and negligence, product liability or otherwise.

ARTICLE VIII

MISCELLANEOUS

Section 8.0: Negotiations. Regardless of any other terms or conditions that may have been discussed during the negotiations leading up to the execution of this Agreement, the only terms and conditions agreed upon are those set forth herein, and no alteration, modification, enlargement or supplement to this Agreement shall be binding upon either of the Parties unless agreed to in writing by both Parties and approved by the Commission.

Section 8.1: 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, any right, remedy or claim under or by reason of this Agreement or any provision 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 and their respective representatives, successors and

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assigns.

Section 8.2: Notices. Notices and other written communications contemplated by this Agreement shall be deemed to have been given if sent by certified mail, postage prepaid, by prepaid private courier, or by confirmed facsimile transmittal, as follows:

To City of Ocala:

Director Electric Utility City of
Ocala
1805 NE 30th Avenue
Bldg 400
Ocala, Florida 34470

To DEF:

Melissa Seixas, State President
Duke Energy Florida, LLC
P.O. Box 14042
St. Petersburg, Florida 33733

with copy to:

City Attorney
City of Ocala
110 SE Watula Avenue
Ocala, Florida 34471

Either Party may change its designated representative or address to which such notices or communications shall be sent by giving written notice thereof to the other Party in the manner herein provided.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective corporate names and their corporate seals affixed by their duly authorized officers on the day and year first above written.

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CITY OF OCALA, FLORIDA,
a Florida municipal corporation

DocuSigned by:
By: Barry Masfield, as
550E4A5AC2B44F7... City Council President

ATTEST:

DocuSigned by:
Angel Jacobs
By: ANGEL JACOBS, as
80193574C28E6A5...
City Clerk

APPROVED AS TO FORM AND LEGALITY:

DocuSigned by:
William E. Sexton
By: WILLIAM E. SEXTON, as
801DCFC4E8E428...
City Attorney

DUKE ENERGY FLORIDA, LLC

By: Melissa Seixas, as
MELISSA SEIXAS, State President
Duke Energy Florida, LLC

ATTEST:

/s/ Stephanie Cuello

STEPHANIE CUELLO, as
Senior Counsel
Duke Energy Florida, LLC

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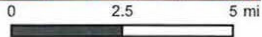
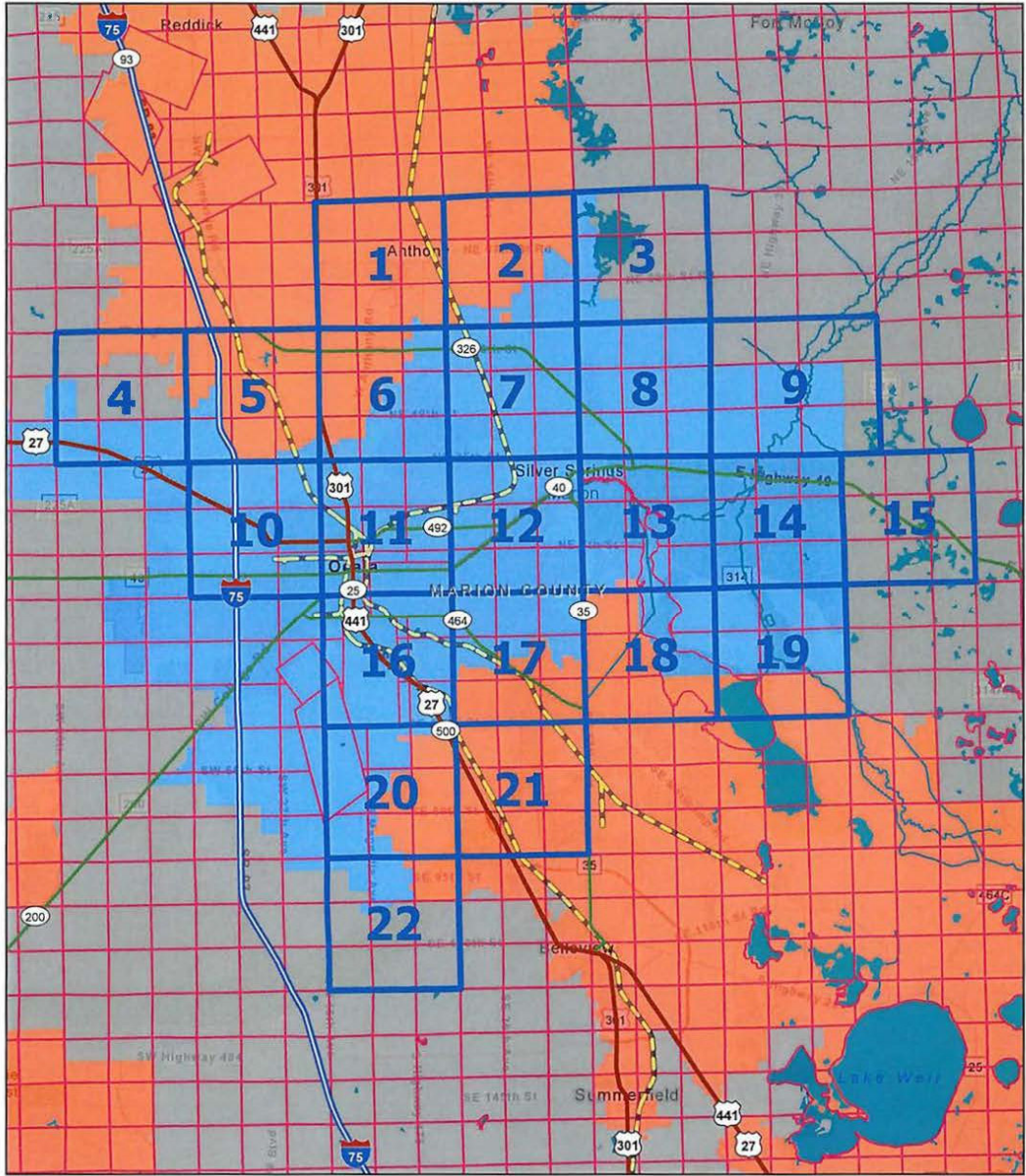
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EXHIBIT A

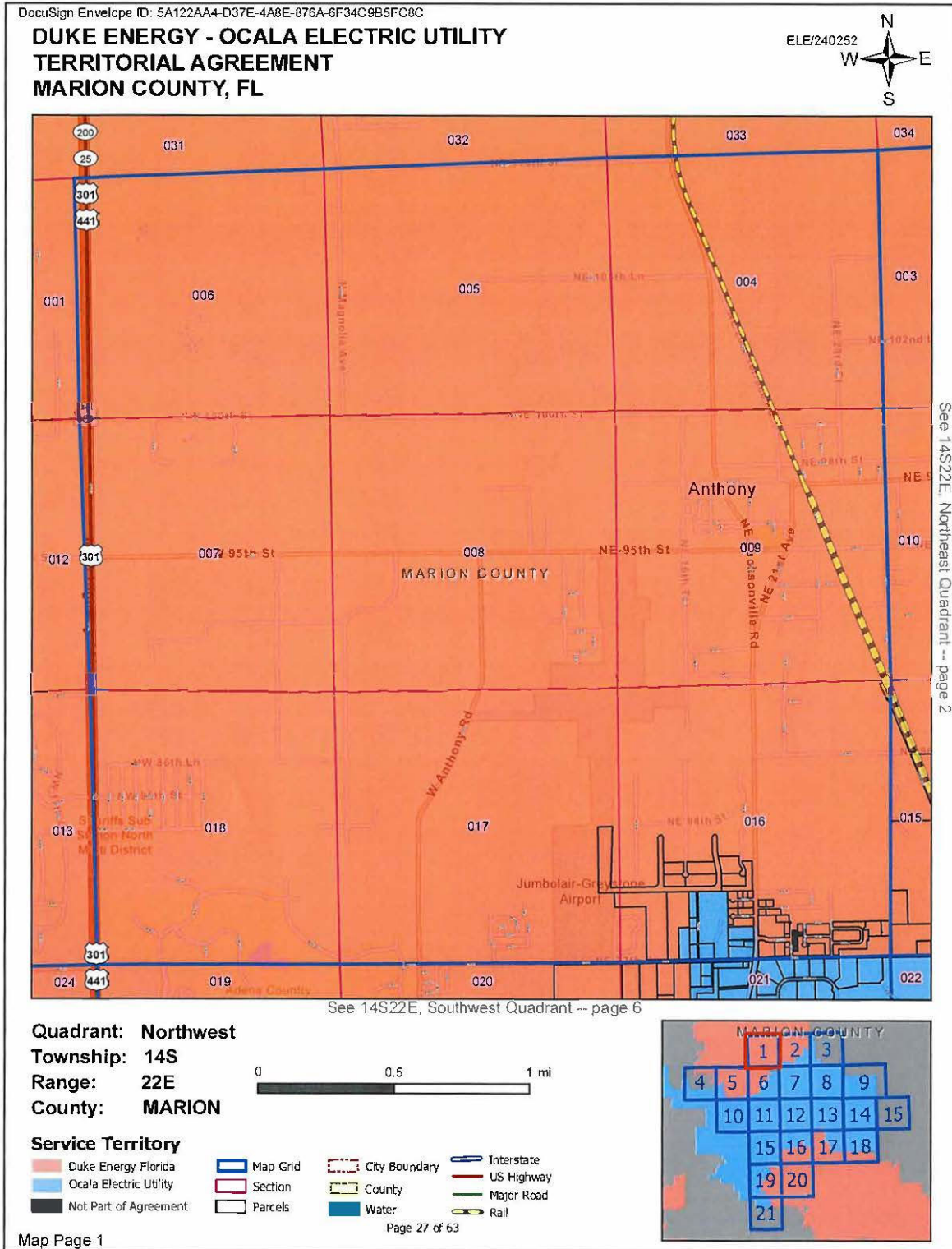
**MAPS DEPICTING THE TERRITORIAL
BOUNDARY LINES AND SERVICE
TERRITORIES OF
THE CITY OF OCALA
&
DUKE ENERGY FLORIDA
IN
MARION COUNTY**

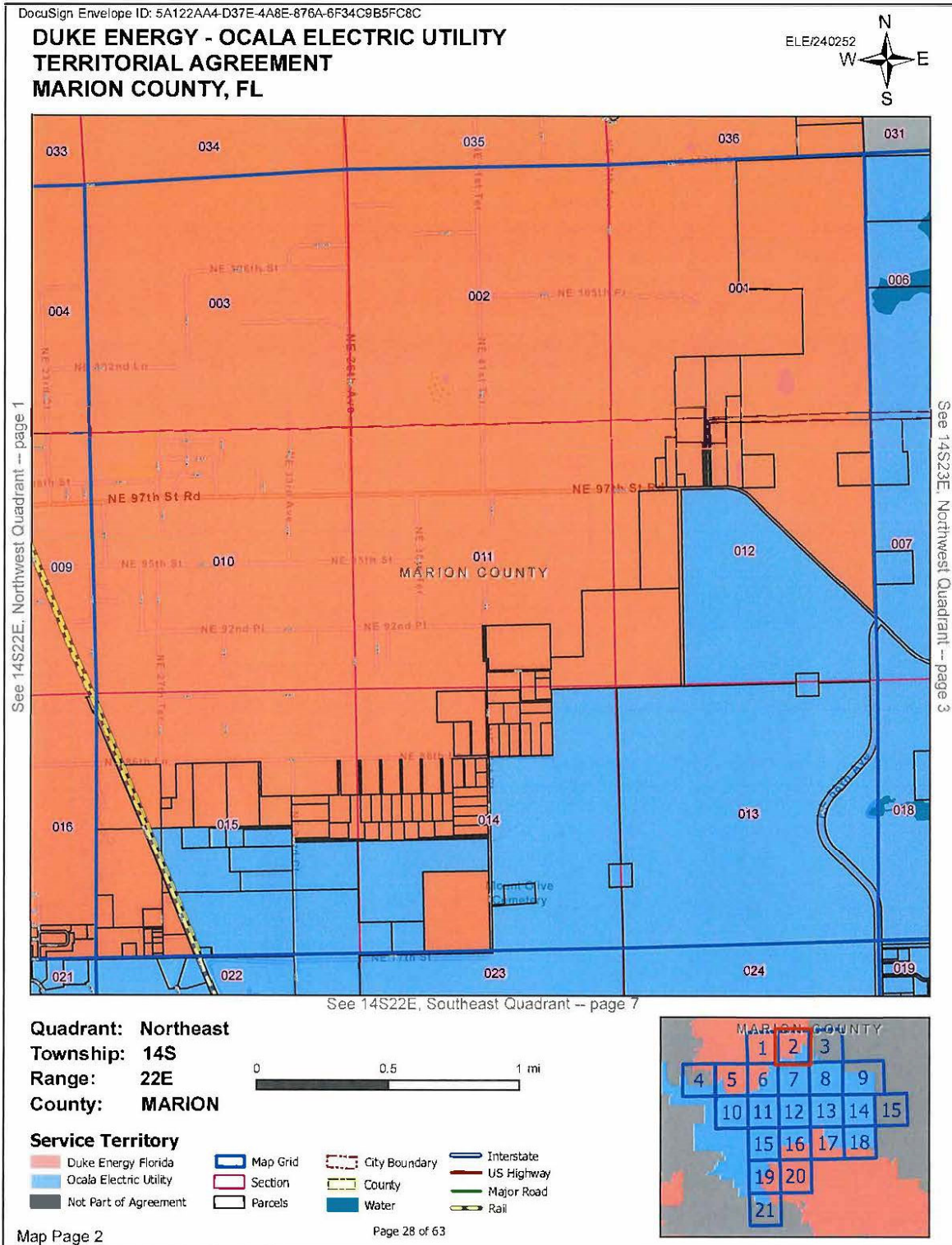
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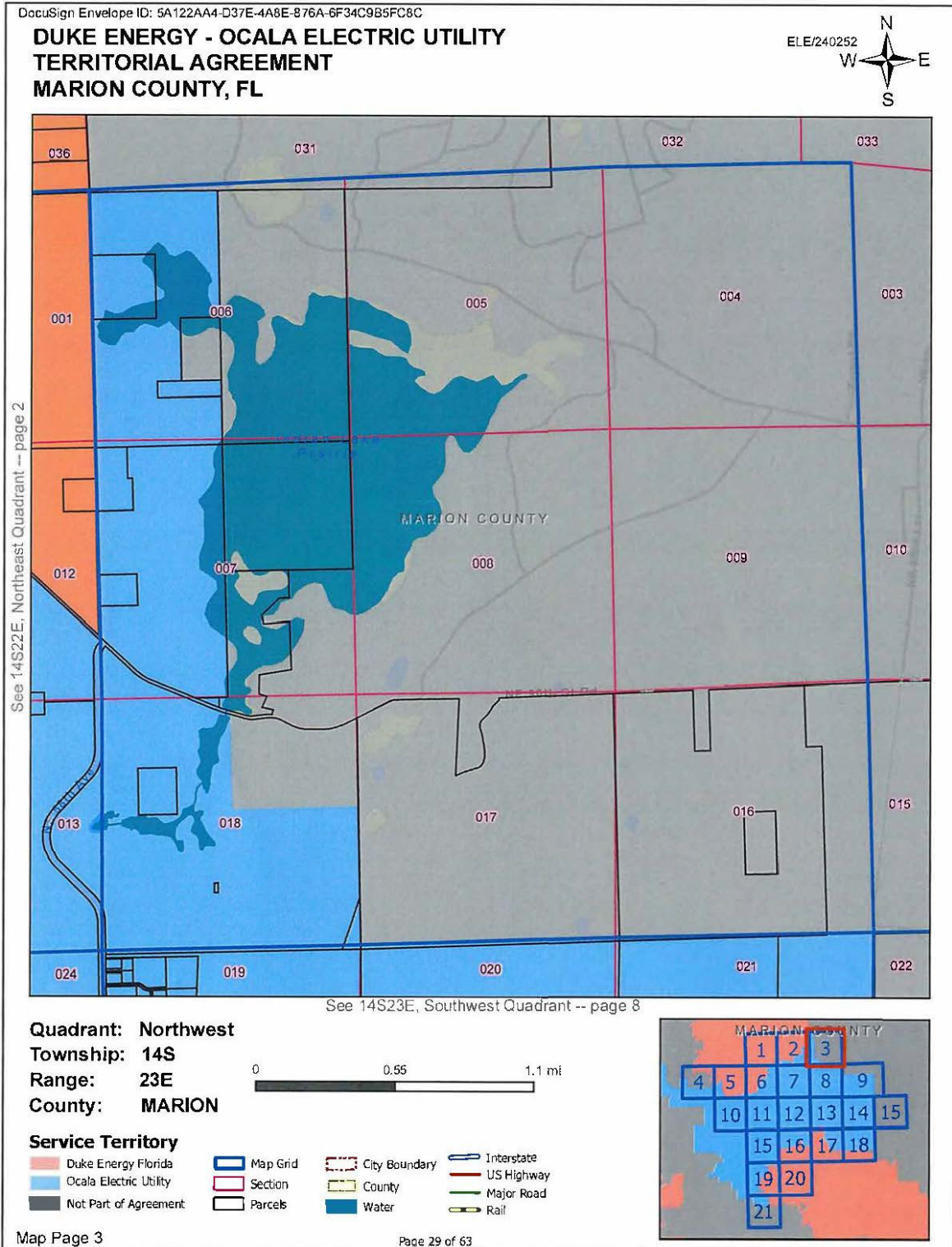
**DUKE ENERGY - OCALA ELECTRIC UTILITY
 TERRITORIAL AGREEMENT
 MARION COUNTY, FL
 PAGE INDEX**

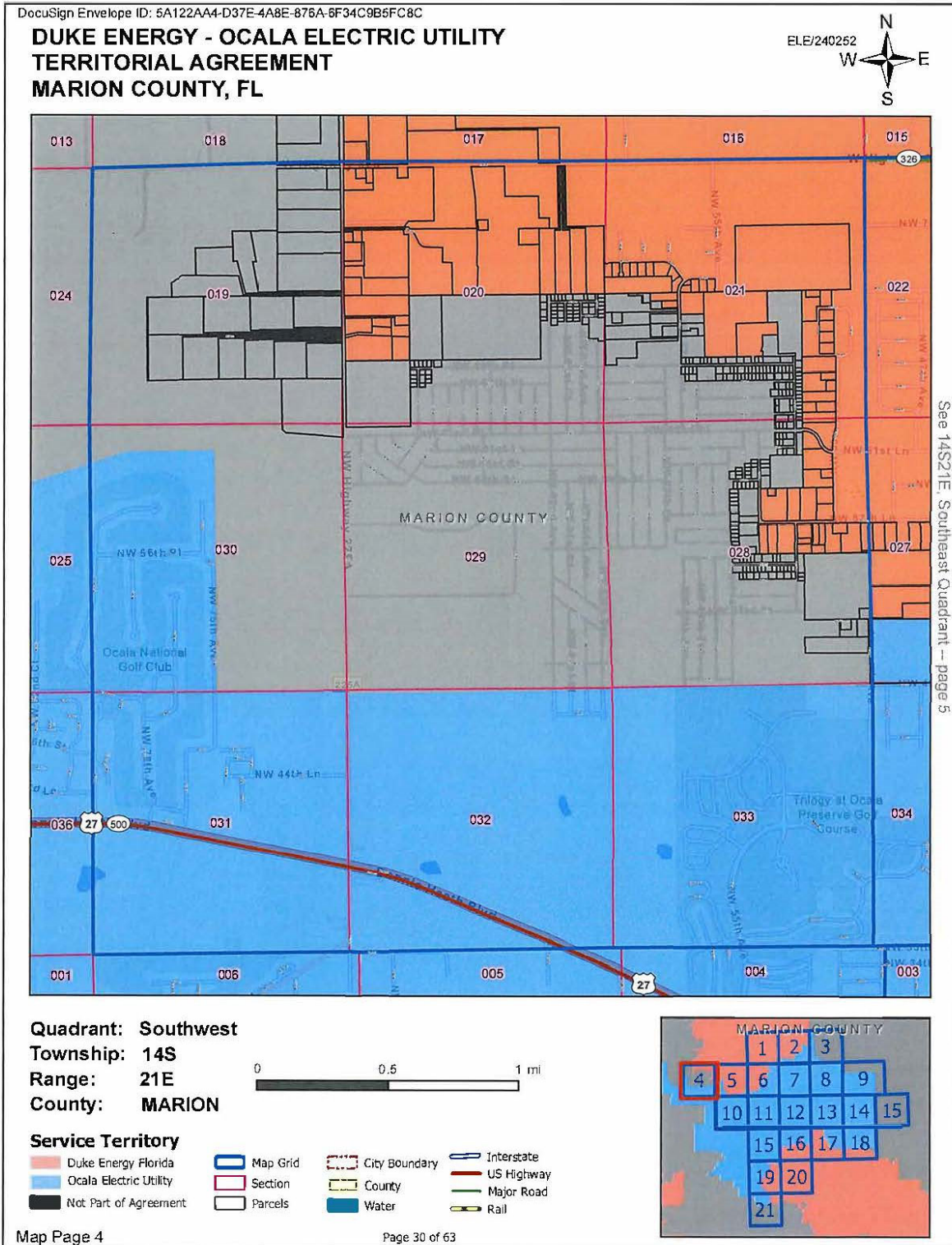


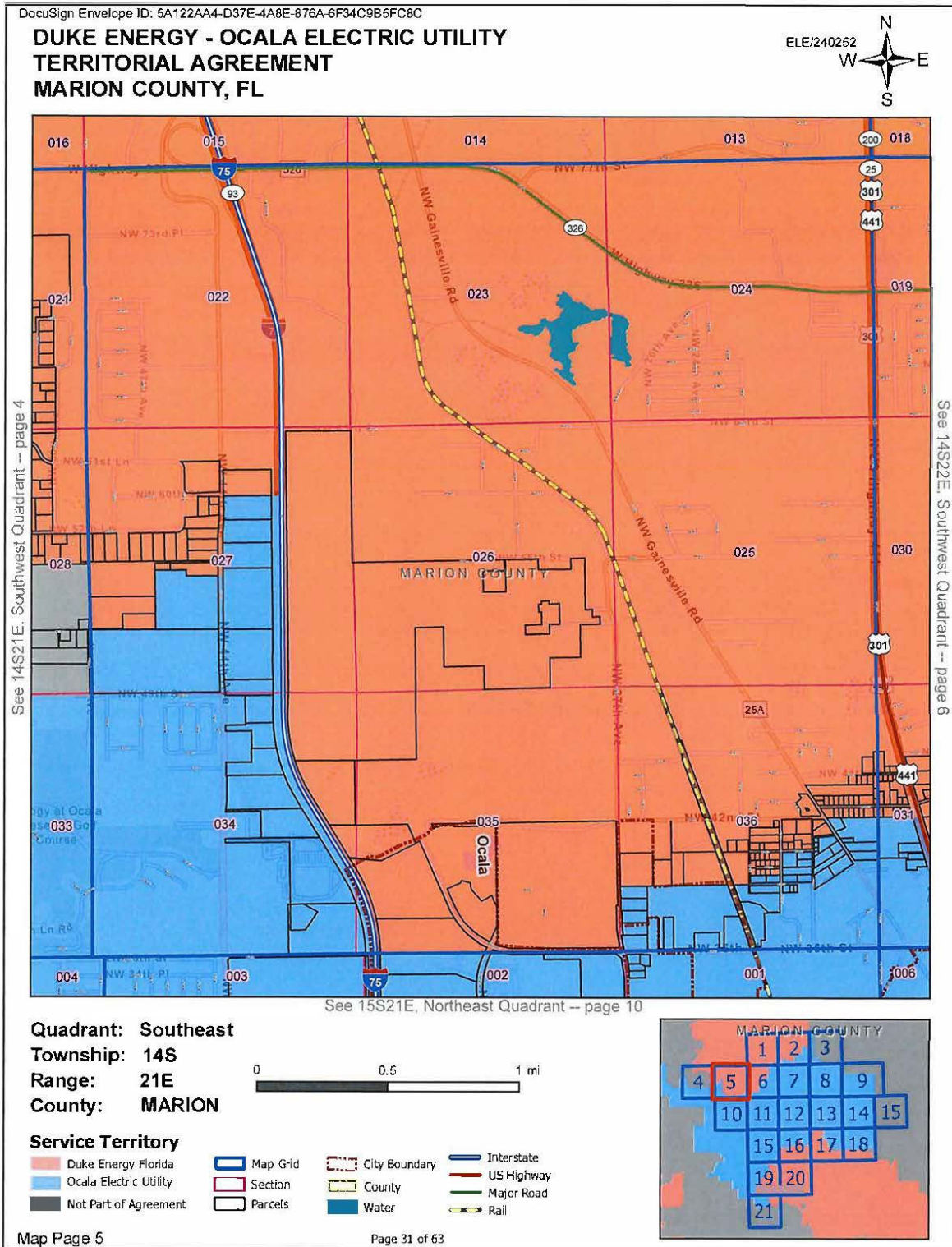
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 - Ocala Electric Utility
 - Not Part Of Agreement
- City Boundary
 - County
 - Section
 - Water
- Interstate
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 - Major Road
 - Rail

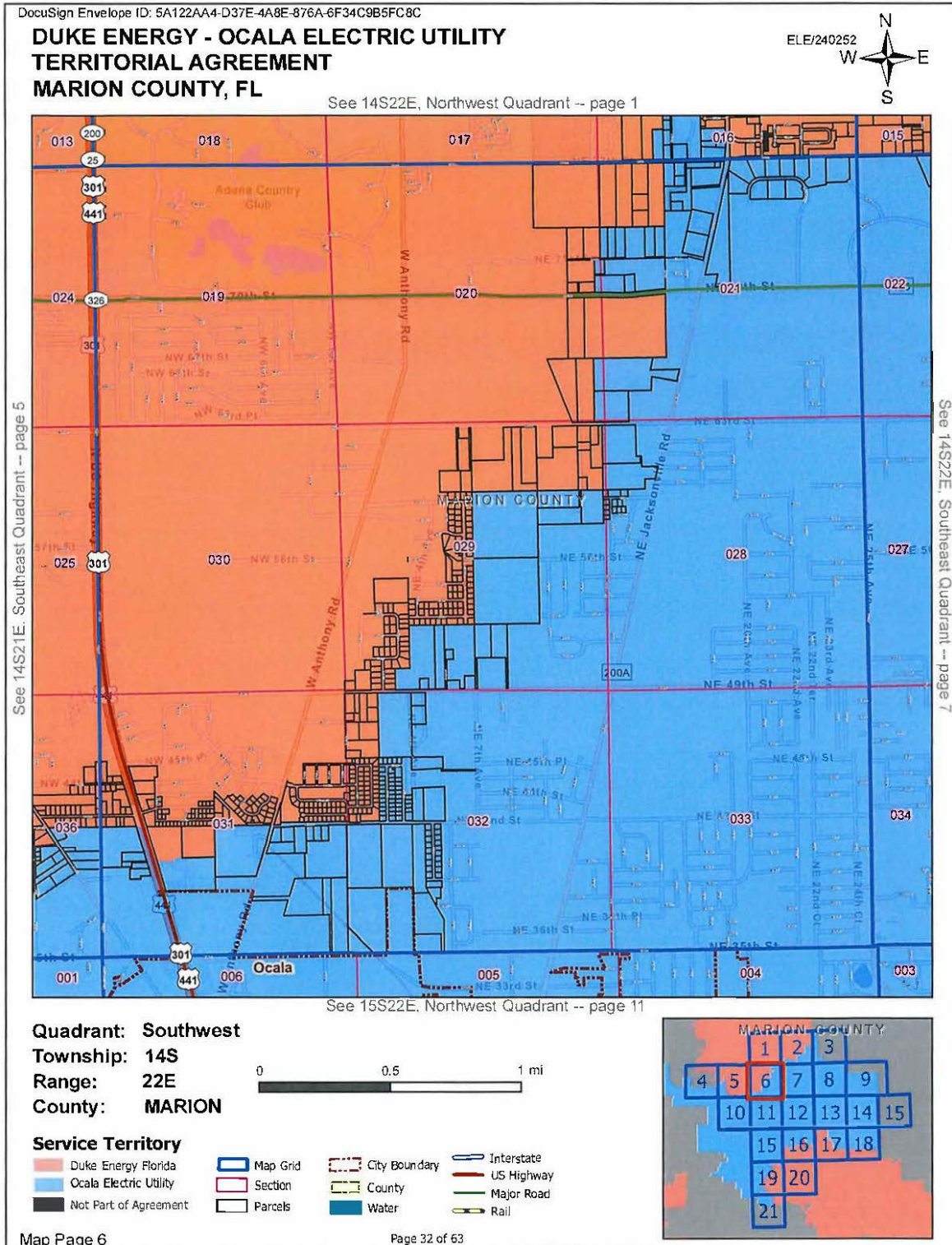


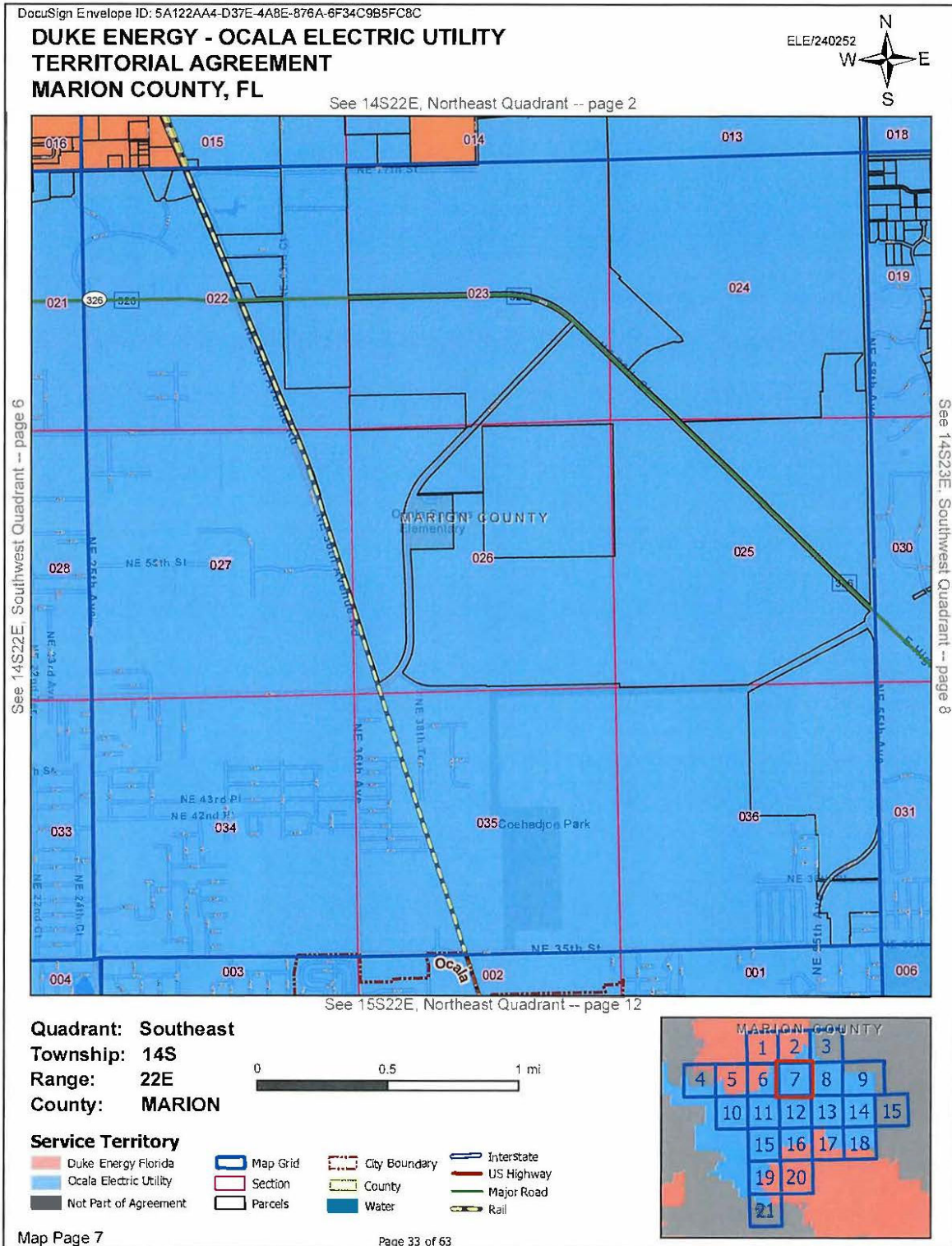


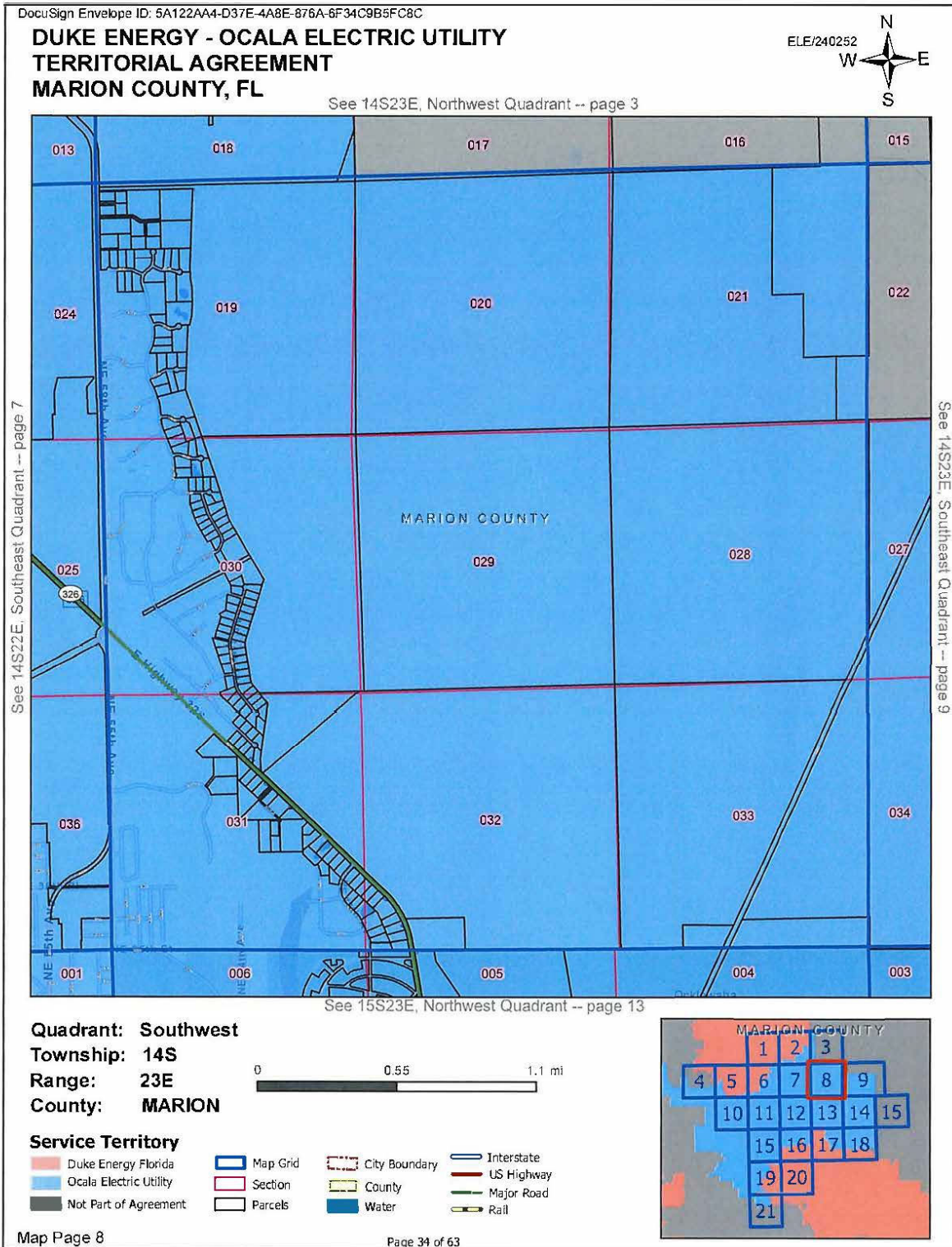


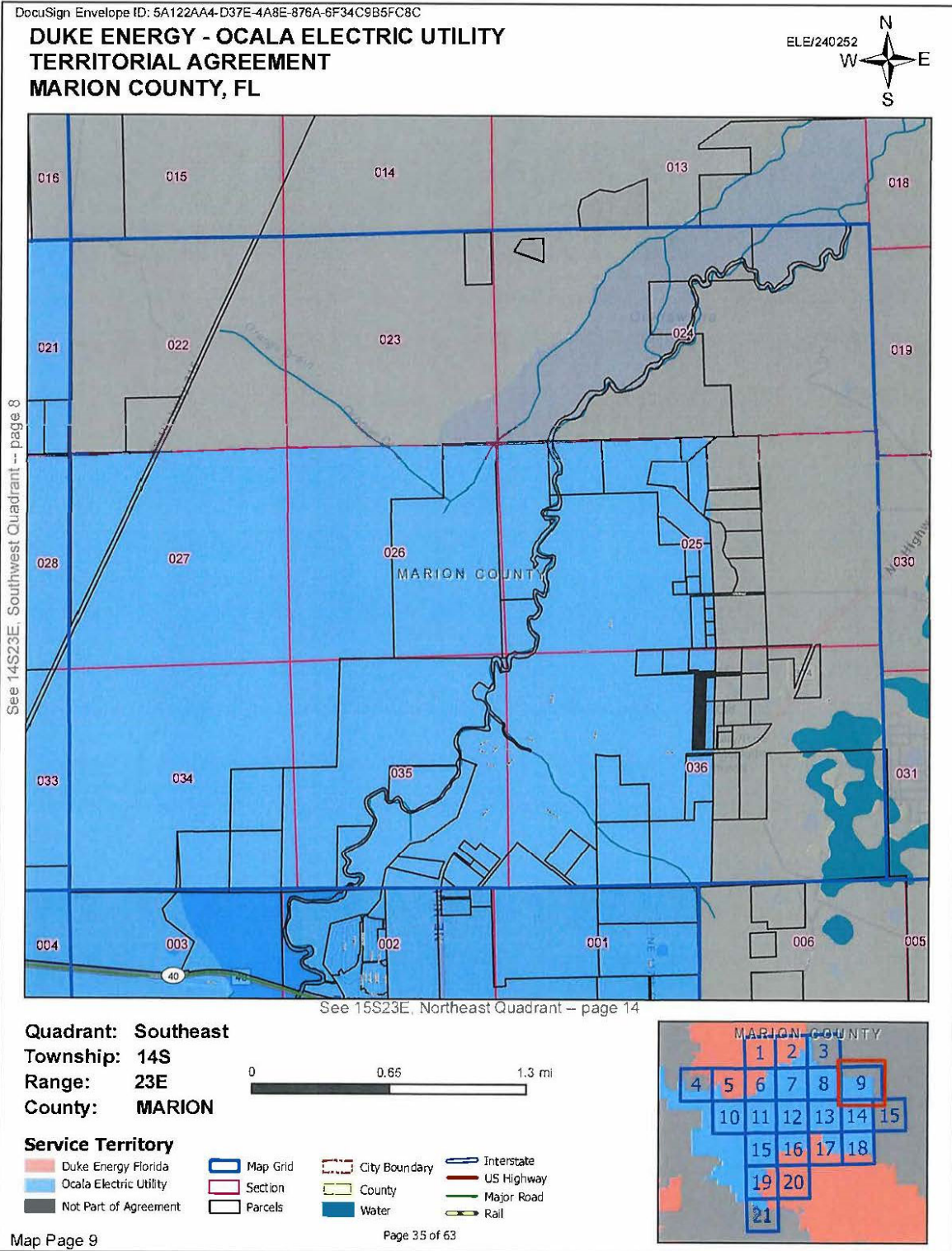










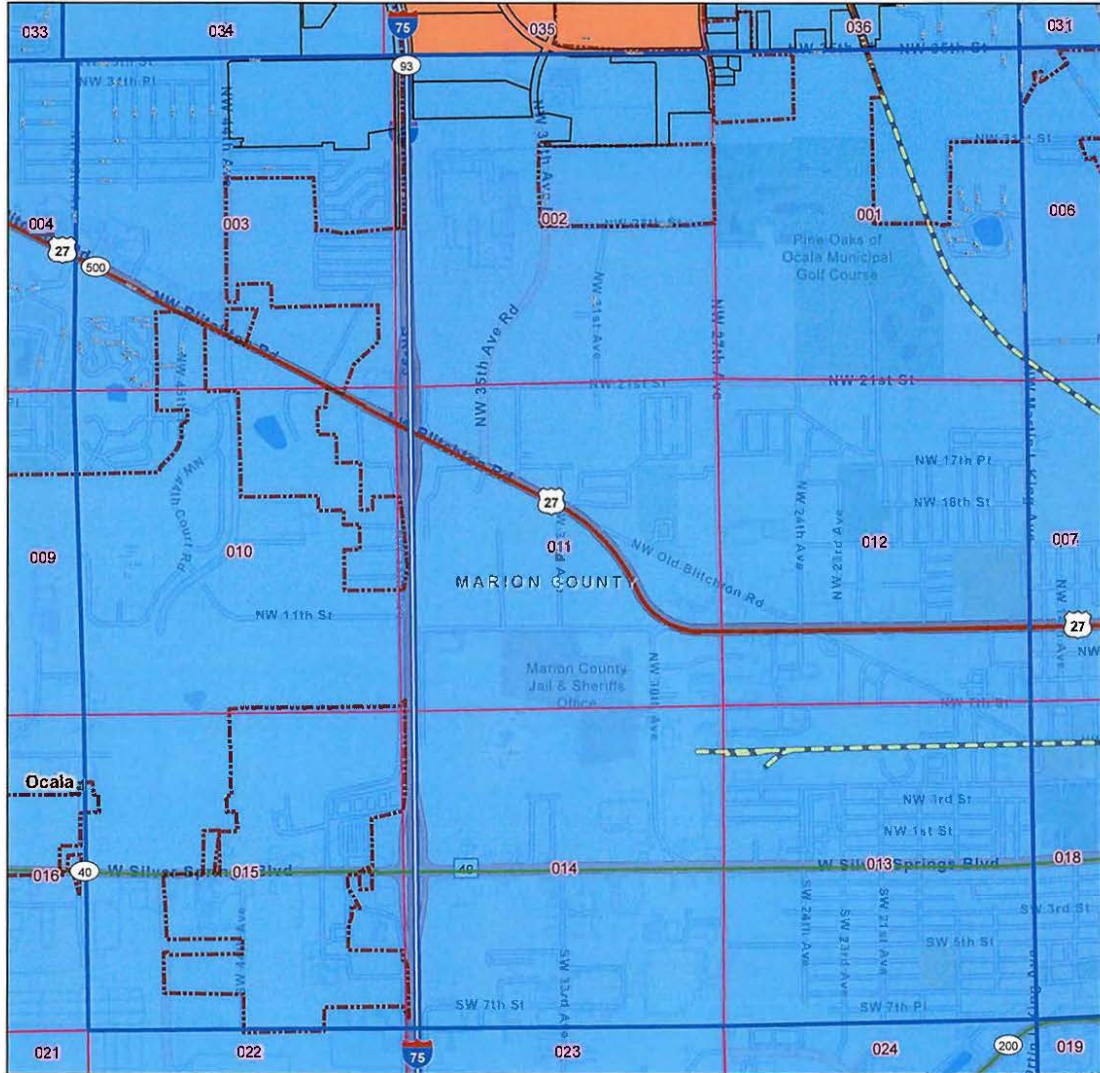


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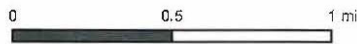


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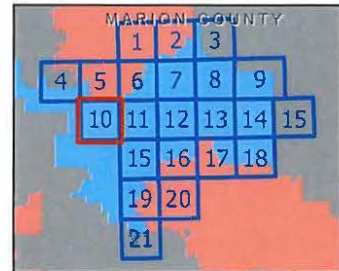
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Quadrant: Northeast
Township: 15S
Range: 21E
County: MARION



Service Territory

- Duke Energy Florida
- Ocala Electric Utility
- Not Part of Agreement
- Map Grid
- Section
- Parcels
- City Boundary
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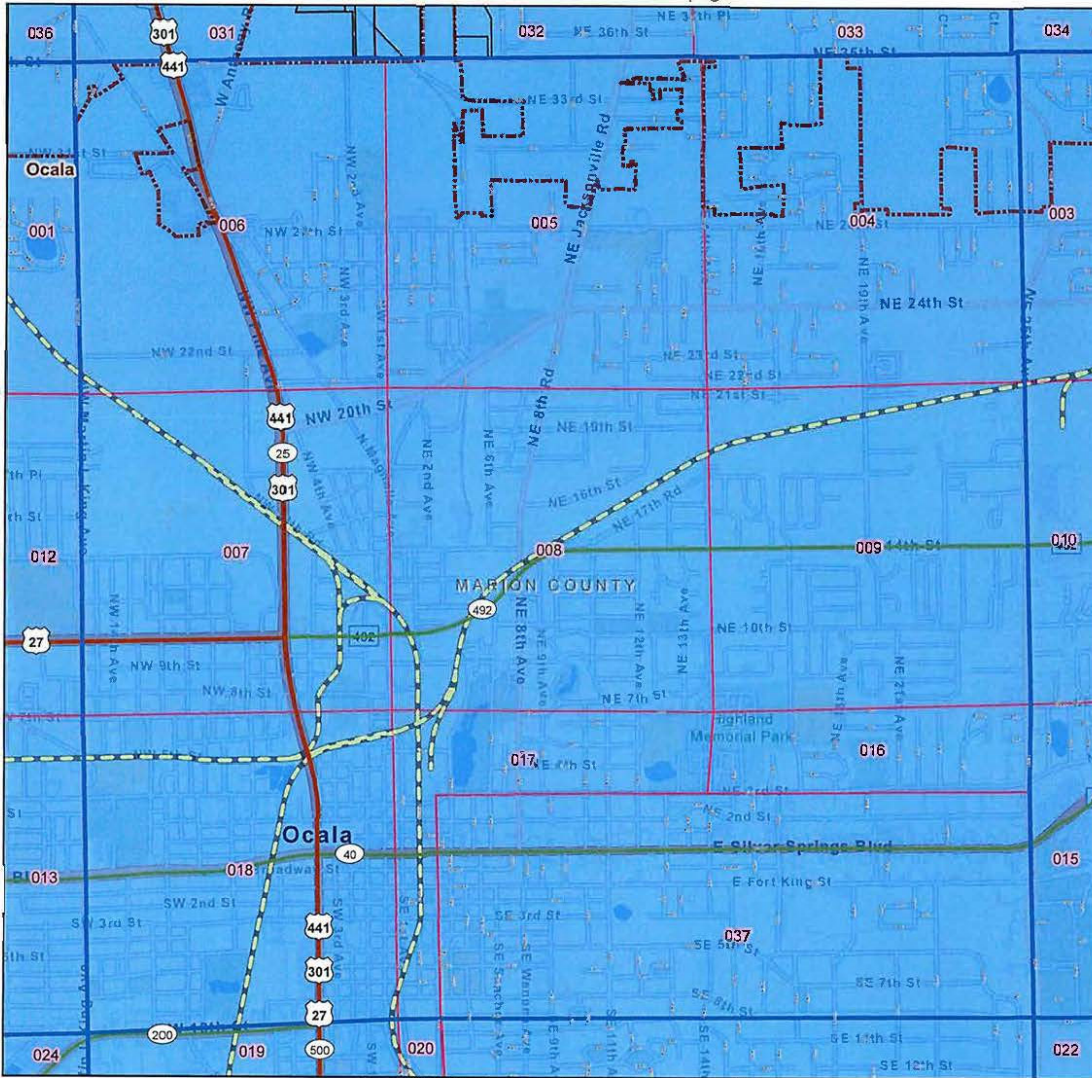
**DUKE ENERGY - OCALA ELECTRIC UTILITY
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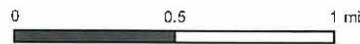
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County: MARION



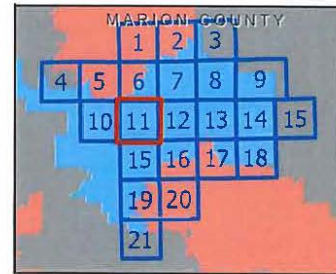
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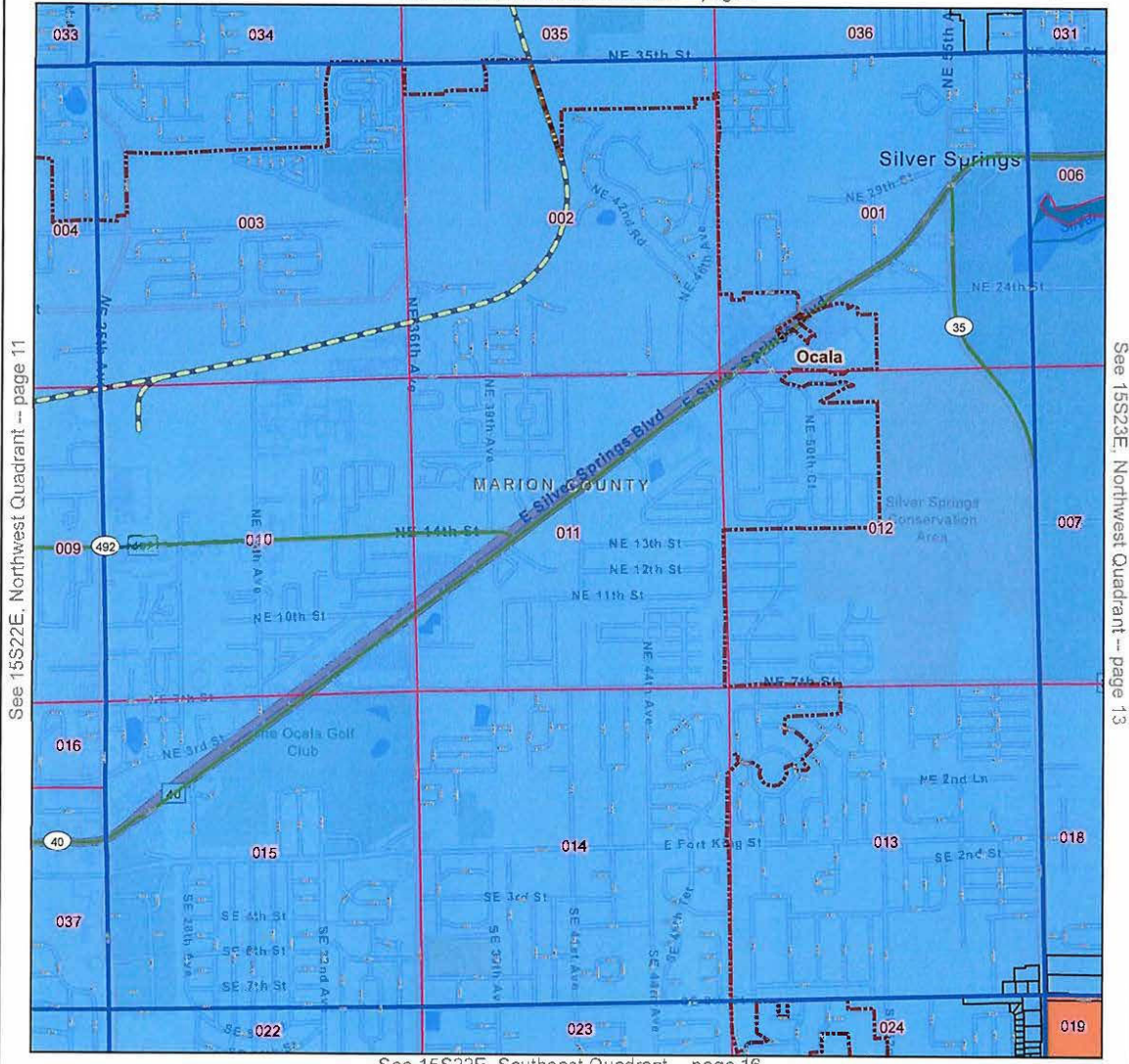
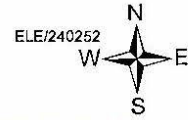
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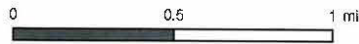


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See 15S22E, Southeast Quadrant -- page 16

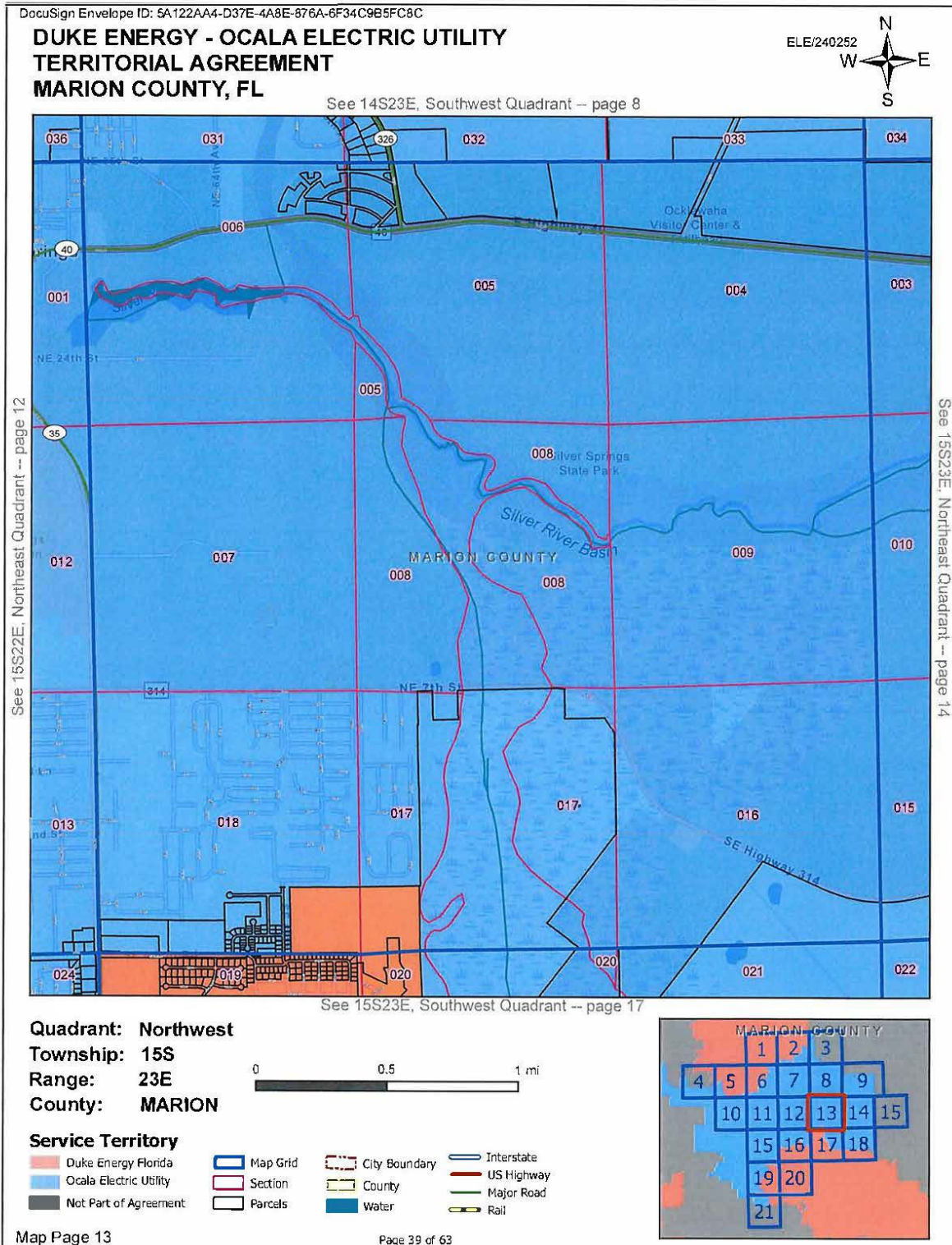
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County: MARION

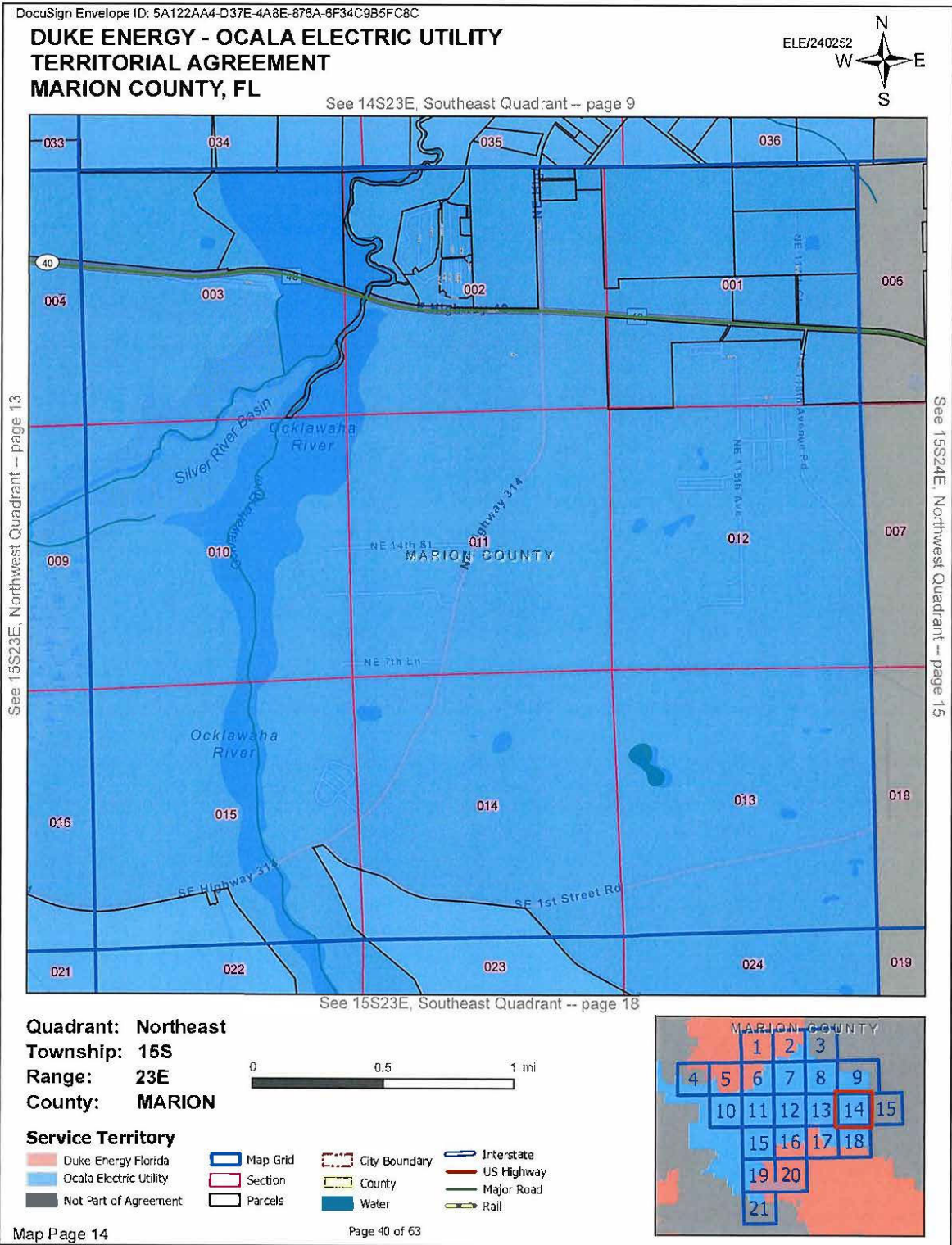


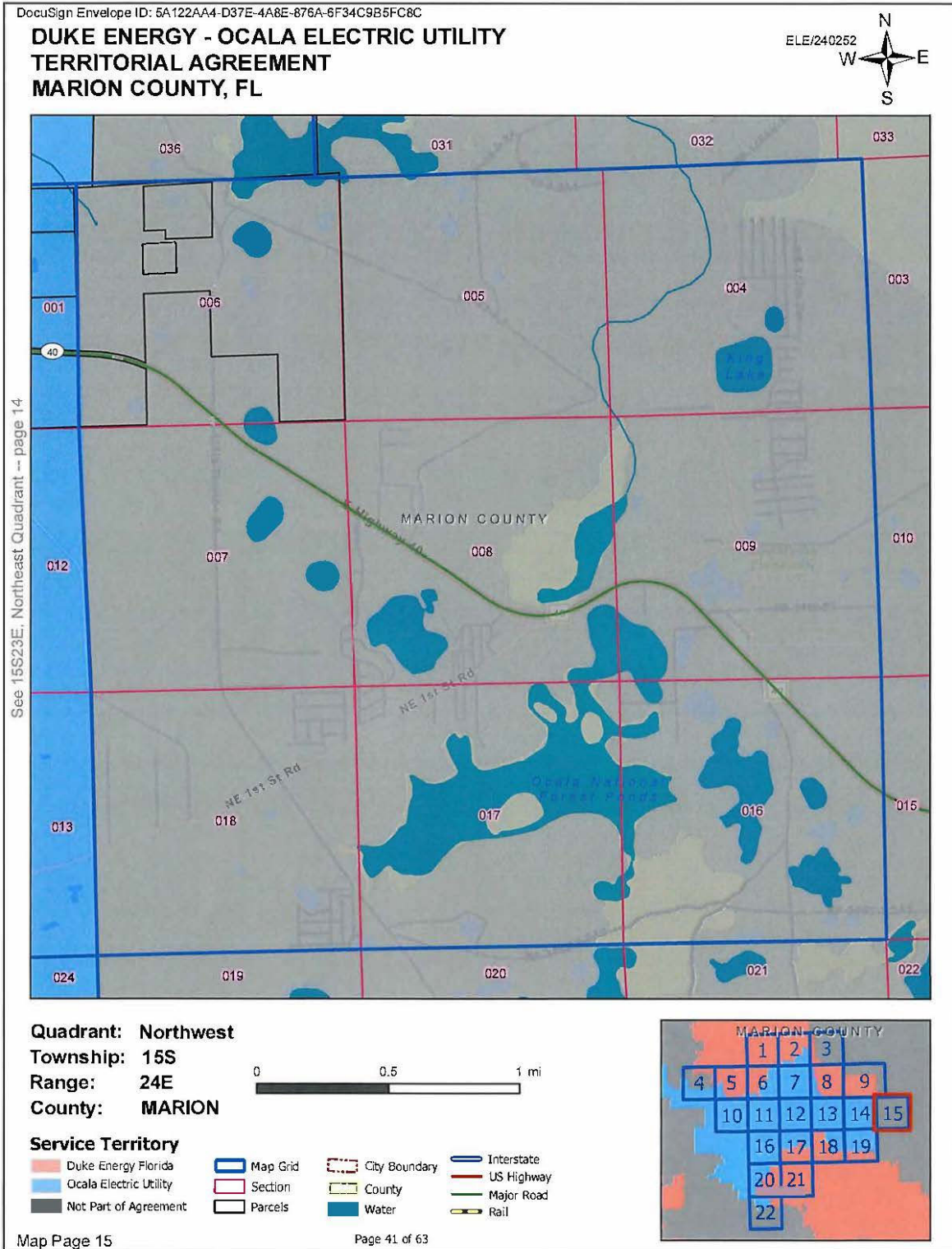
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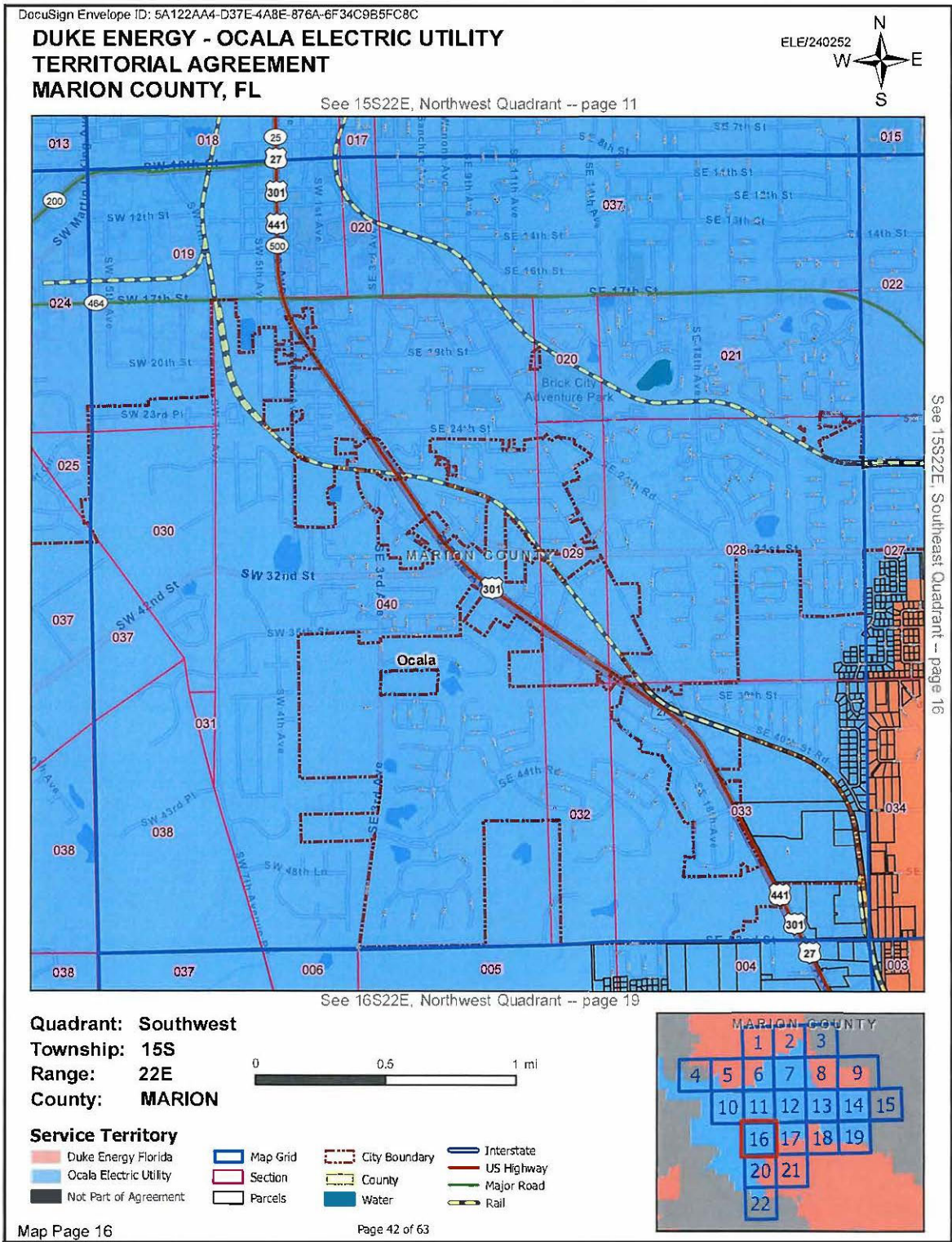
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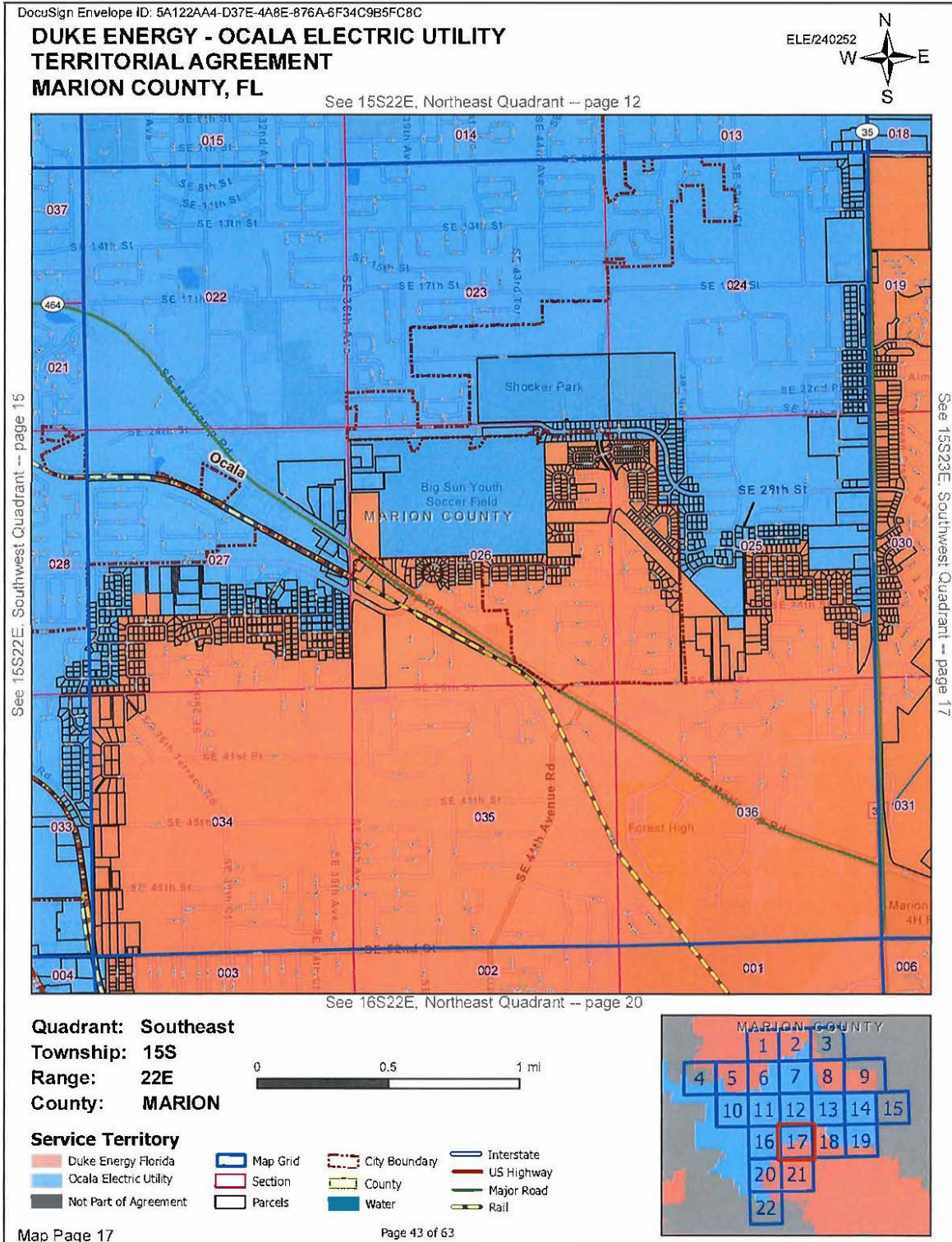


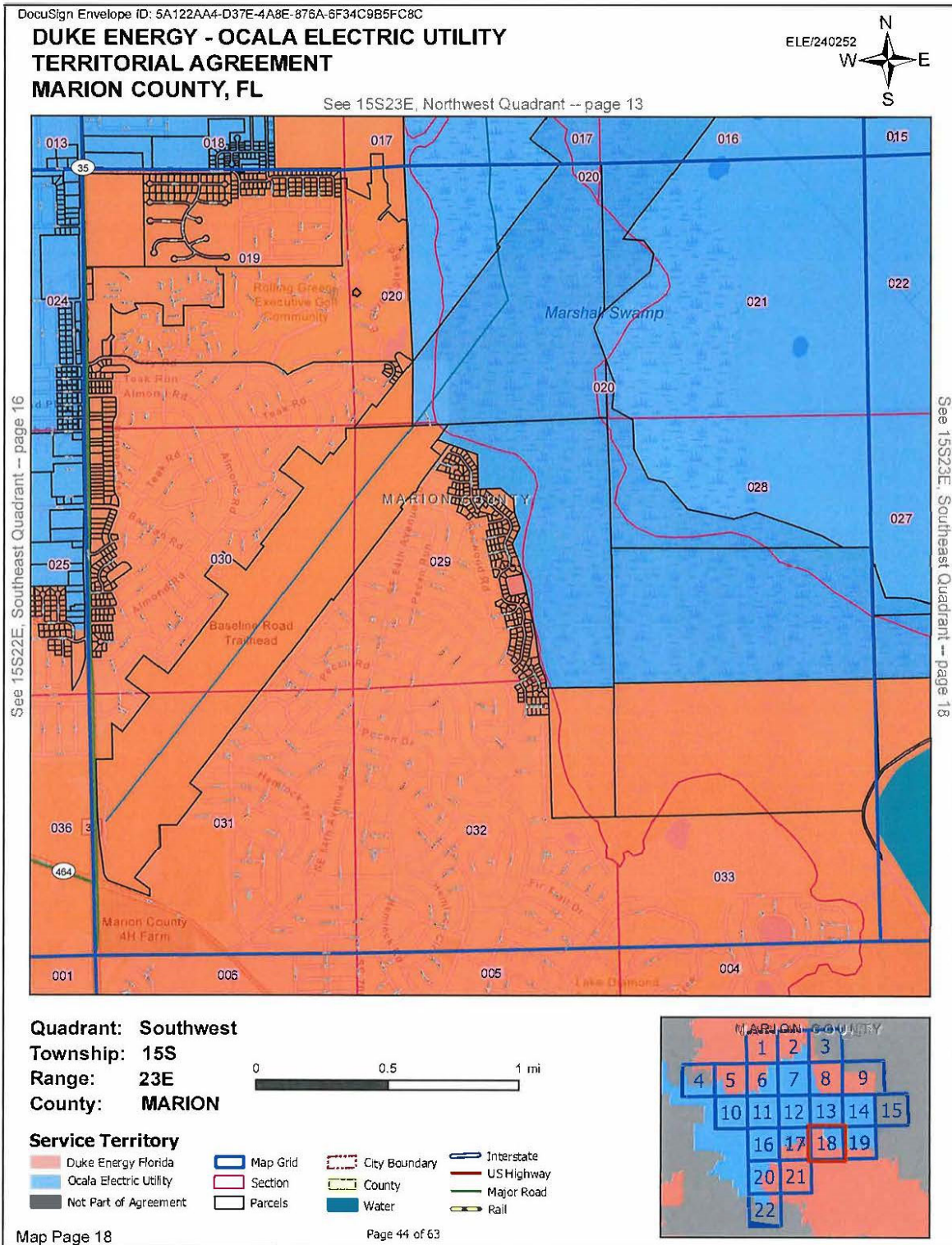


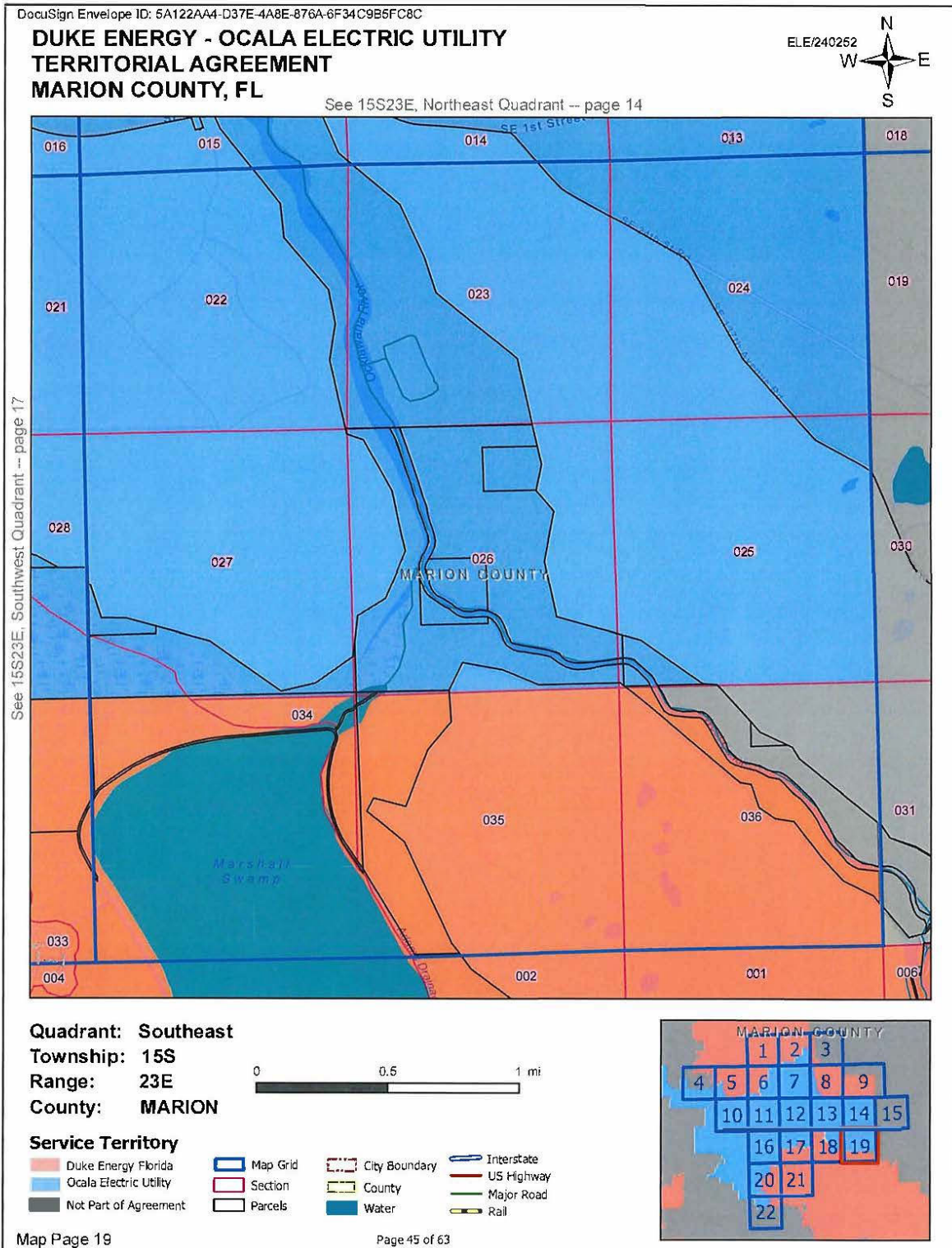








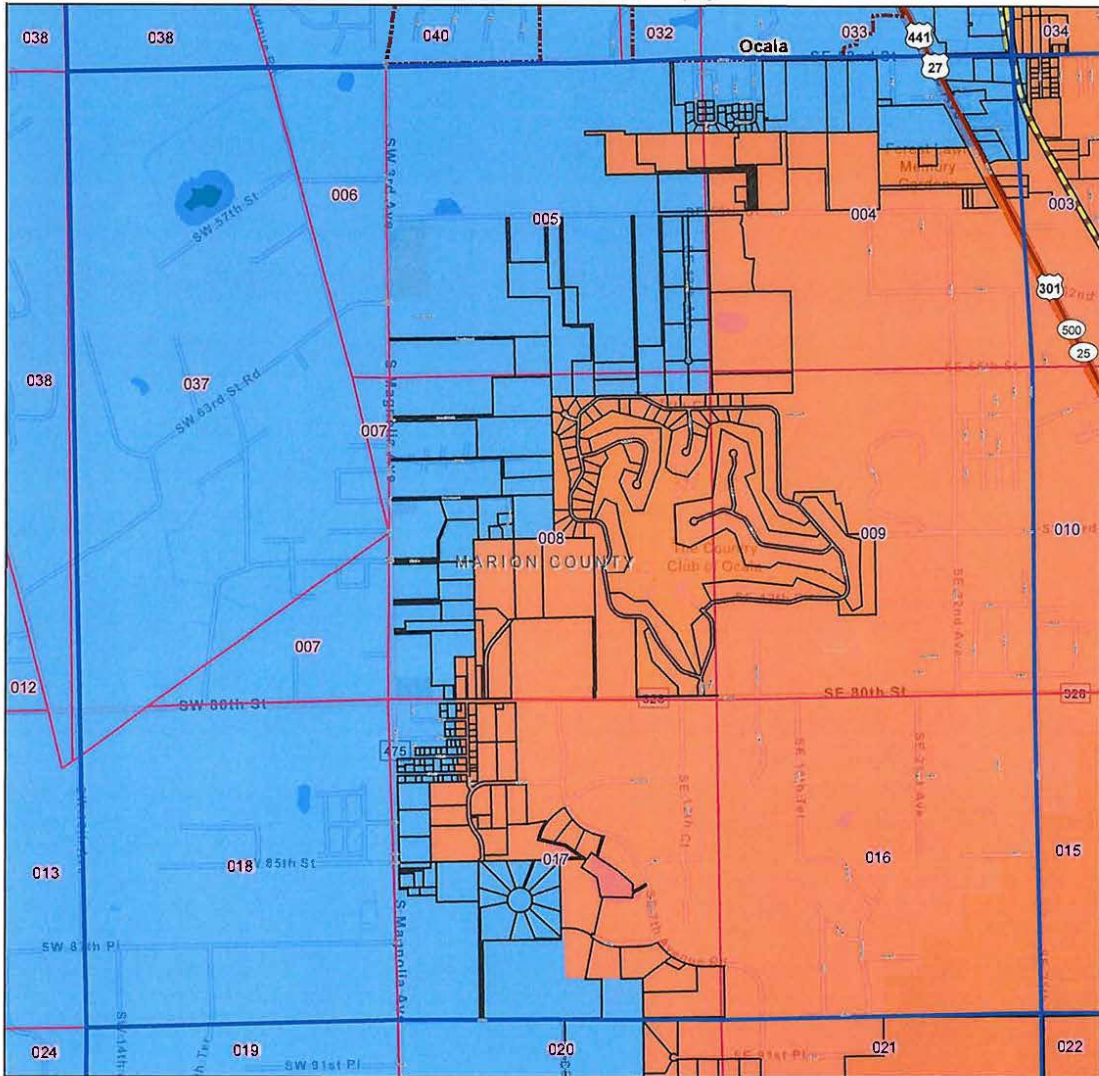
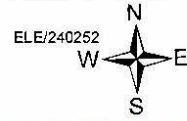




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 TERRITORIAL AGREEMENT
 MARION COUNTY, FL**

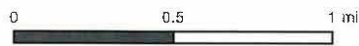
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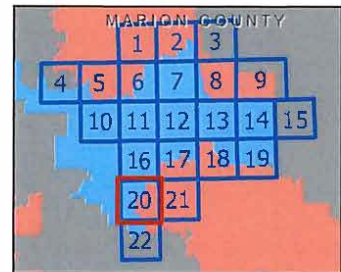
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Range: 22E
County: MARION



Service Territory

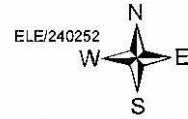
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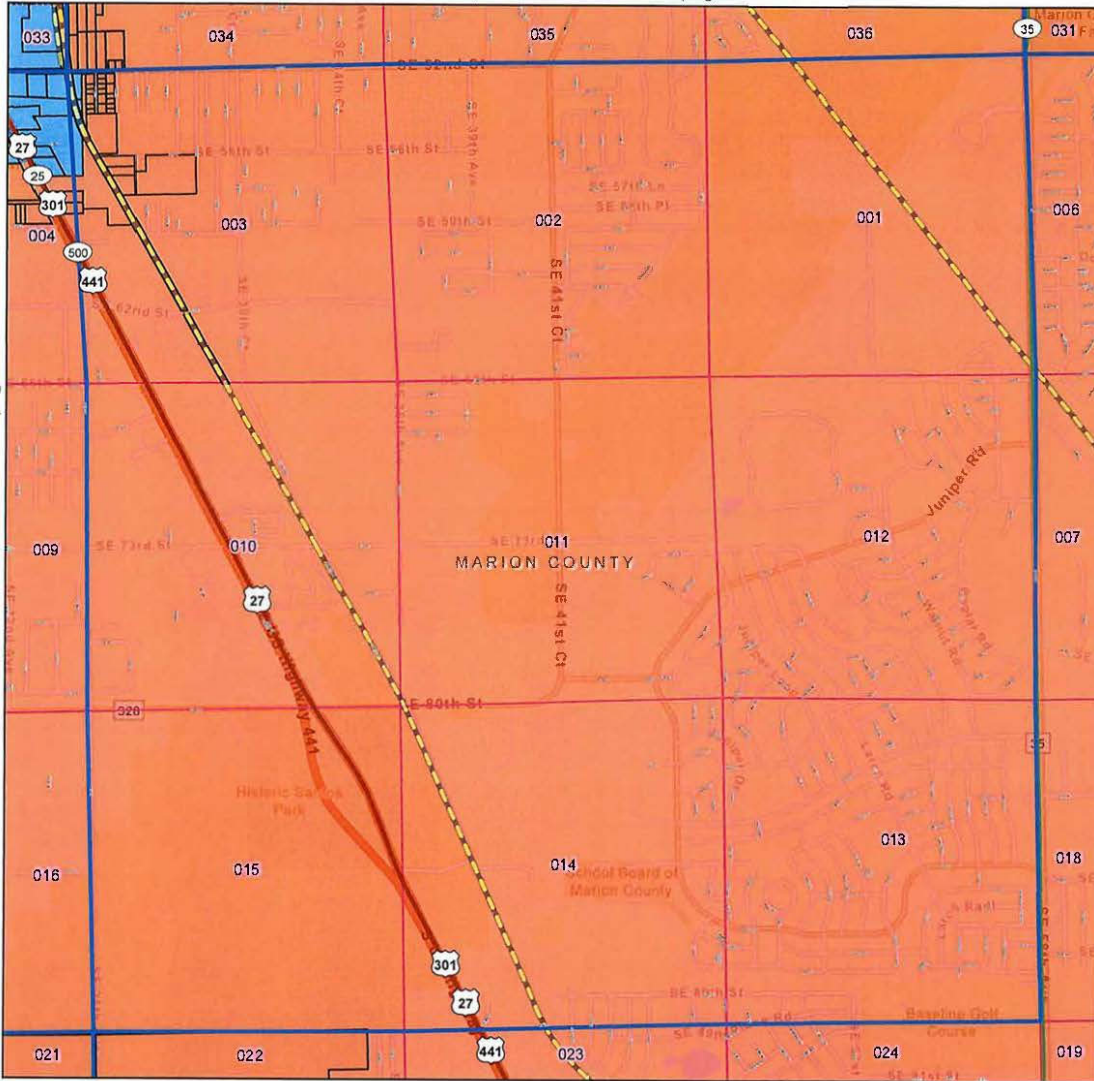
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 MARION COUNTY, FL**

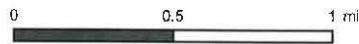
See 15S22E, Southeast Quadrant -- page 16



See 16S22E, Northwest Quadrant -- page 19

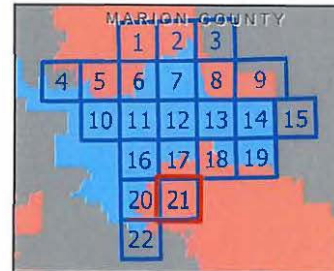


Quadrant: Northeast
Township: 16S
Range: 22E
County: MARION



Service Territory

- | | | | |
|------------------------|----------|---------------|------------|
| Duke Energy Florida | Map Grid | City Boundary | Interstate |
| Ocala Electric Utility | Section | County | US Highway |
| Not Part of Agreement | Parcels | Major Road | Rail |

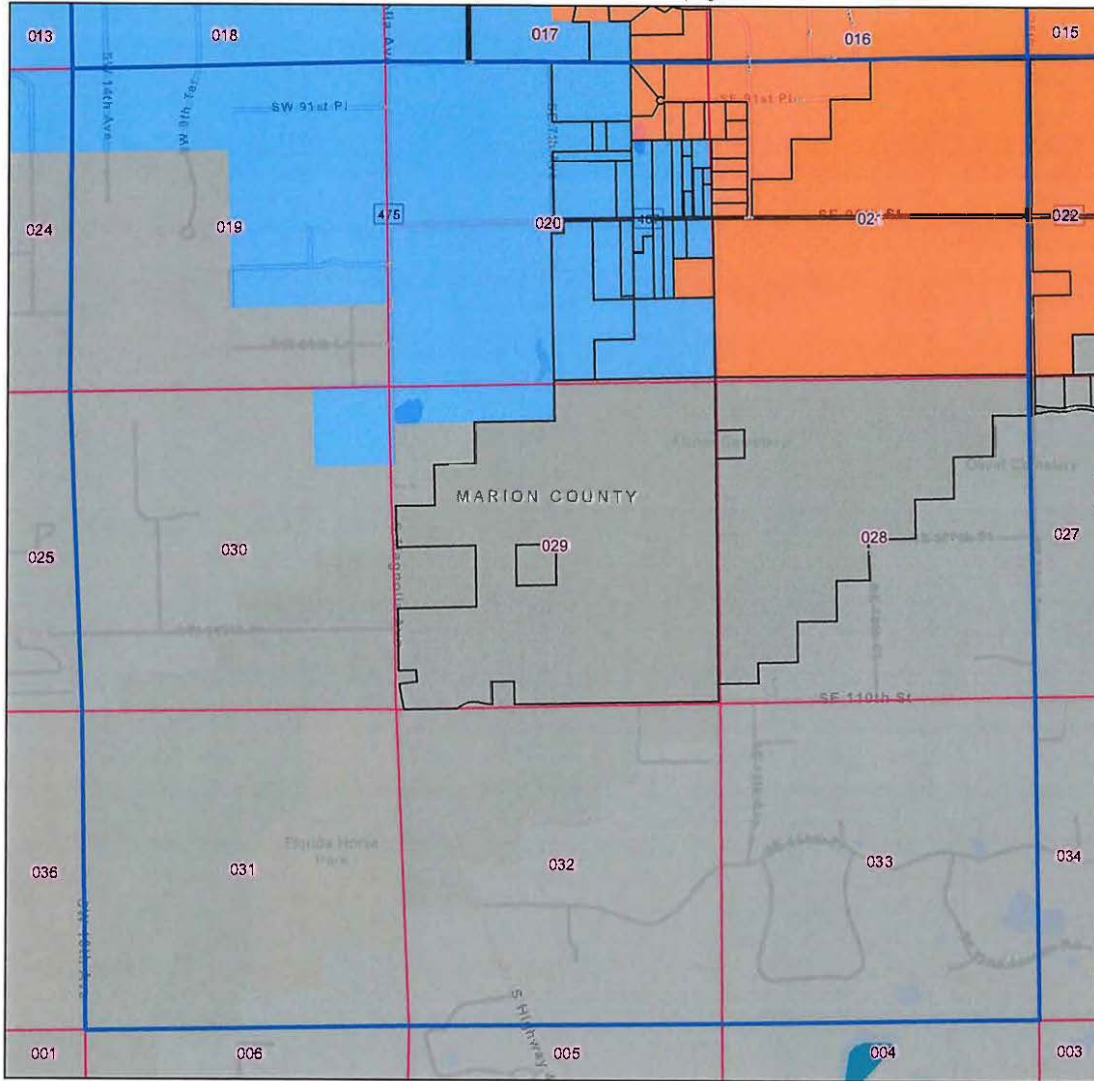


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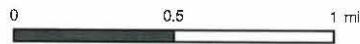
**DUKE ENERGY - OCALA ELECTRIC UTILITY
 TERRITORIAL AGREEMENT
 MARION COUNTY, FL**



See 16S22E, Northwest Quadrant -- page 19



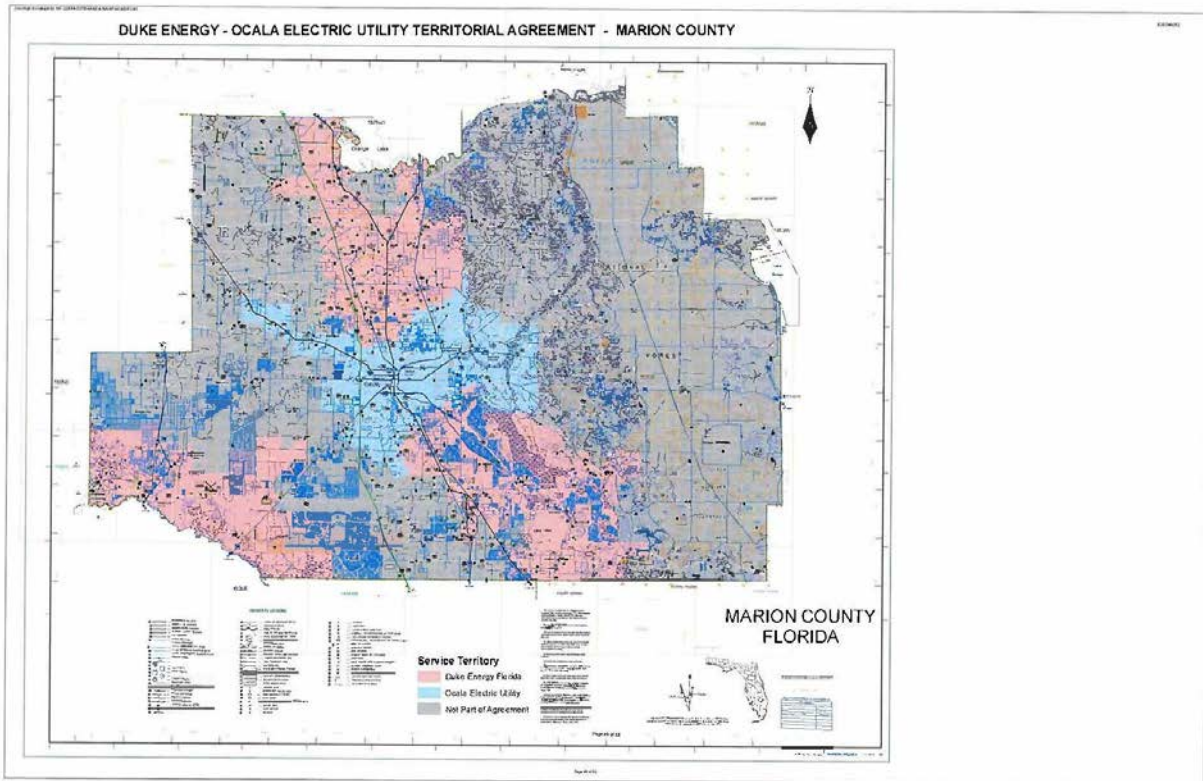
Quadrant: Southwest
Township: 16S
Range: 22E
County: MARION



Service Territory

- | | | | |
|------------------------|----------|---------------|------------|
| Duke Energy Florida | Map Grid | City Boundary | Interstate |
| Ocala Electric Utility | Section | County | US Highway |
| Not Part of Agreement | Parcels | Water | Major Road |
| | | | Rail |





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EXHIBIT B

WRITTEN DESCRIPTIONS OF THE TERRITORIAL AREAS SERVED IN MARION COUNTY

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ELE/240252

Written Description of the Territorial Boundary Lines*

EXHIBIT D

Map Page	County	Township/ Range	Section(s)	Description/Notes
1	Marion	T14S, R22E	4, 5, 6, 7, 8, 9, 16, 17, 18	The entire section is served by DEF. No areas are served by OEU.
2	Marion	T14S, R22E	1, 2, 3, 10, 11	The entire section is served by DEF. No areas are served by OEU.
2	Marion	T14S, R22E	12	OEU serves the large rectangular parcel in the section. The remainder of the section is served by DEF.
2	Marion	T14S, R22E	13	The entire section is served by OEU. No areas are served by DEF.
2	Marion	T14S, R22E	14	OEU serves three parcels in the southwestern quarter of the section. OEU also serves three parcels in the eastern half of the section. DEF serves the northwest quarter of the section as well as one parcel in the southwestern quarter. DEF also serves the northwestern quarter of the eastern half of the section.
2	Marion	T14S, R22E	15	DEF serves west of the railroad. DEF also serves the northern half of the section. OEU serves the southern half of the section east of the railroad.
3	Marion	T14S, R23E	4, 5, 6, 7, 8, 9, 16, 17, 18	This section is Not Part of this Agreement.
4	Marion	T14S, R21E	19	This section is Not Part of this Agreement.
4	Marion	T14S, R21E	20, 21, 28	DEF serves all areas that Part of this Agreement. No areas are served by OEU.
4	Marion	T14S, R21E	29	This section is Not Part of this Agreement.
4	Marion	T14S, R21E	30	OEU serves all areas that Part of this Agreement. No areas are served by DEF.
4	Marion	T14S, R21E	31, 32, 33	The entire section is served by OEU. No areas are served by DEF.

If there are any discrepancies between Exhibit A and Exhibit D, then the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines*

EXHIBIT D

5	Marion	T14S, R21E	22, 23, 24, 25, 26	The entire section is served by DEF. No areas are served by OEU.
5	Marion	T14S, R21E	27	OEU serves six parcels adjacent to the west side of Interstate 75. OEU also serves two parcels in the southern half of the section. DEF serves the remainder of the section.
5	Marion	T14S, R21E	34	OEU serves west of Interstate 75. DEF serves east of Interstate 75.
5	Marion	T14S, R21E	35	The entire section is served by DEF except for the portion of the section west of Interstate 75
5	Marion	T14S, R21E	36	DEF serves the northern half of the section. DEF also serves west of the railroad tracks in the northwestern half of the southern half of the section. DEF also serves thirty-six parcels in the northern half of the southern half of the section, east of the railroad tracks. OEU serves the remainder of the section, including the southern half of the southern half west of the railroad tracks and east of 500.
6	Marion	T14S, R22E	19	The entire section is served by DEF. No areas are served by OEU.
6	Marion	T14S, R22E	20	DEF serves the entire section except for the four parcels adjacent to the eastern section line that are served by OEU.
6	Marion	T14S, R22E	21	DEF serves the entire section except for the six parcels in the northwestern quarter of the section and the large parcel adjacent to the western section line in the southern half of the section that are served by OEU.
6	Marion	T14S, R22E	28	The entire section is served by OEU. No areas are served by DEF.
6	Marion	T14S, R22E	29	DEF serves the northern half of the northern half of the section. DEF also serves the western half of the section except for the seven parcels that are served by OEU. OEU also serves the eastern half of the section except where DEF serves in the northern half of the northern half.
6	Marion	T14S, R22E	30	The entire section is served by DEF. No areas are served by OEU.
6	Marion	T14S, R22E	31	DEF serves the northern half of the section as well as two parcels in the southern half of the section. OEU serves the southern half of the section except for the two parcels that are served by OEU.

If there are any discrepancies between Exhibit A and Exhibit D, then the territorial boundary maps in Exhibit A shall prevail.

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ELE/240252
EXHIBIT D

Written Description of the Territorial Boundary Lines*

6	Marion	T14S, R22E	32	The entire section is served by OEU except for the parcels in the northwestern quarter of the section that are served by DEF.
6	Marion	T14S, R22E	33	The entire section is served by OEU. No areas are served by DEF.
7	Marion	T14S, R22E	22, 23, 24, 25, 26, 27, 34, 35, 36	The entire section is served by OEU. No areas are served by DEF.
8	Marion	T14S, R23E	19	OEU serves the western half of the section except for the eleven parcels in the northwestern quarter of the section that are served by DEF. DEF serves the eastern half of the section.
8	Marion	T14S, R23E	20, 21, 28, 29, 30, 31, 32, 33	The entire section is served by OEU. No areas are served by DEF.
9	Marion	T14S, R23E	22, 23, 24, 25, 26, 27, 34, 35, 36	OEU serves all areas that Part of this Agreement. No areas are served by DEF.
10	Marion	T15S, R21E	1, 2, 3, 10, 11, 12, 13, 14, 15	The entire section is served by OEU. No areas are served by DEF.
11	Marion	T14S, R22E	4, 5, 6, 7, 8, 9, 16, 17, 18	The entire section is served by OEU. No areas are served by DEF.
12	Marion	T15S, R22E	1, 2, 3, 10, 11, 12, 13, 14, 15	The entire section is served by OEU. No areas are served by DEF.
13	Marion	T15S, R23E	4, 5, 6, 7, 8, 9, 16	The entire section is served by OEU. No areas are served by DEF.
13	Marion	T15S, R23E	17	OEU serves the entire section except for the two parcels in the southwestern corner that are served by DEF.
13	Marion	T15S, R23E	18	OEU serves the entire section except for the parcel in the southeastern corner that is served by DEF.
14	Marion	T15S, R23E	1, 2, 3, 10, 11, 12, 13, 14, 15	The entire section is served by OEU. No areas are served by DEF.
15	Marion	T15S, R24E	4, 5, 6, 7, 8, 9, 16, 17, 18	This section is Not Part of this Agreement.

If there are any discrepancies between Exhibit A and Exhibit D, then the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines*

EXHIBIT D

16	Marion	T15S, R22E	19, 20, 21, 28, 29, 30, 31, 32, 33, 37, 38, 40	The entire section is served by OEU. No areas are served by DEF.
17	Marion	T15S, R22E	22, 23, 24	The entire section is served by OEU. No areas are served by DEF.
17	Marion	T15S, R22E	25	OEU serves the northern half of the section except for the development in the western half of the western half of the section that is served by DEF. OEU also serves @ thirty-two parcels in the eastern half of the southwestern half of the section. OEU also serves nine parcels in the eastern half of the southeastern half of the section. The remainder of the section is served by DEF.
17	Marion	T15S, R22E	26	OEU serves the northwestern half of the section except for one parcel that is served by DEF. OEU also serves the western half of the northwestern half of the section. The remainder of the section is served by DEF.
17	Marion	T15S, R22E	27	OEU serves the northern half of the section except for two parcels that are served by DEF. DEF serves the southern half of the section except for the southwestern quarter that is served by OEU. OEU also serves eighteen parcels in the southeastern quarter of the section.
17	Marion	T15S, R22E	34, 35, 36	The entire section is served by DEF. No areas are served by OEU.
18	Marion	T15S, R23E	19	The entire section is served by DEF. No areas are served by OEU.
18	Marion	T15S, R23E	20	DEF serves the western half of the western half of the section. OEU serves the eastern half of the western half of the section. OEU also serves the eastern half of the section.
18	Marion	T15S, R23E	21, 28	The entire section is served by OEU. No areas are served by DEF.
18	Marion	T15S, R23E	29	DEF serves the western half of the section. OEU serves the eastern half of the section.
18	Marion	T15S, R23E	30, 31, 32, 33	The entire section is served by DEF. No areas are served by OEU.
19	Marion	T15S, R23E	22, 23, 24, 25, 26, 27	The entire section is served by OEU. No areas are served by DEF.

If there are any discrepancies between Exhibit A and Exhibit D, then the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines*

EXHIBIT D

19	Marion	T15S, R23E	34, 35	The entire section is served by DEF. No areas are served by OEU.
19	Marion	T15S, R23E	36	DEF serves all areas that Part of this Agreement. No areas are served by OEU.
20	Marion	T16S, R22E	4	OEU serves the northern half of the northern half of the section. DEF serves the southern half of the northern half of the section. DEF also serves the southern half of the section.
20	Marion	T16S, R22E	5	OEU serves the entire section except for the three parcels in the northeastern quadrant that are served by DEF.
20	Marion	T16S, R22E	6, 7	The entire section is served by OEU. No areas are served by DEF.
20	Marion	T16S, R22E	8	OEU serves the western half of the section except for ten parcels that are served by DEF. DEF also serves the eastern half of the section.
20	Marion	T16S, R22E	9, 16	The entire section is served by DEF. No areas are served by OEU.
20	Marion	T16S, R22E	17	DEF serves the northern half of the section except for the parcels in the northwestern quarter that are served by OEU as well as the parcels adjacent to the western section line. OEU also serves the southwestern half of the section as well as one parcel in the southeastern section. The remainder of the section is served by DEF.
20	Marion	T16S, R22E	18	The entire section is served by DEF. No areas are served by OEU.
21	Marion	T16S, R22E	1, 2, 3, 10, 11, 12, 13, 14, 15	The entire section is served by DEF. No areas are served by OEU.
22	Marion	T16S, R22E	19	OEU serves all areas that Part of this Agreement. No areas are served by DEF.
22	Marion	T16S, R22E	20	OEU serves the entire section except for the seven parcels that are served by DEF.
22	Marion	T16S, R22E	21	The entire section is served by DEF. No areas are served by OEU.

If there are any discrepancies between Exhibit A and Exhibit D, then the territorial boundary maps in Exhibit A shall prevail.

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ELE/240252
EXHIBIT D

Written Description of the Territorial Boundary Lines*

22	Marion	T16S, R22E	28	This section is Not Part of this Agreement.
22	Marion	T16S, R22E	29, 30	OEU serves all areas that Part of this Agreement. No areas are served by DEF.
22	Marion	T16S, R22E	31, 32, 33	This section is Not Part of this Agreement.

If there are any discrepancies between Exhibit A and Exhibit D, then the territorial boundary maps in Exhibit A shall prevail.

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EXHIBIT C

**EXTRA-TERRITORIAL CUSTOMERS
SERVED BY
DUKE ENERGY FLORIDA
AND SUBJECT TO TRANSFER TO
THE CITY OF OCALA**

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EXHIBIT C

**EXTRA-TERRITORIAL CUSTOMERS SERVED BY DUKE ENERGY
AND SUBJECT TO TRANSFER TO THE CITY OF OCALA**

No.	Premise Address	Customer Type	County	Premise No.
1.	390 NE 42 ND STREET, OCALA, FL 34479	RESIDENTIAL	MARION	5204500651

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EXHIBIT D

**EXTRA-TERRITORIAL CUSTOMERS
SERVED BY
THE CITY OF OCALA
AND SUBJECT TO TRANSFER TO
DUKE ENERGY FLORIDA**

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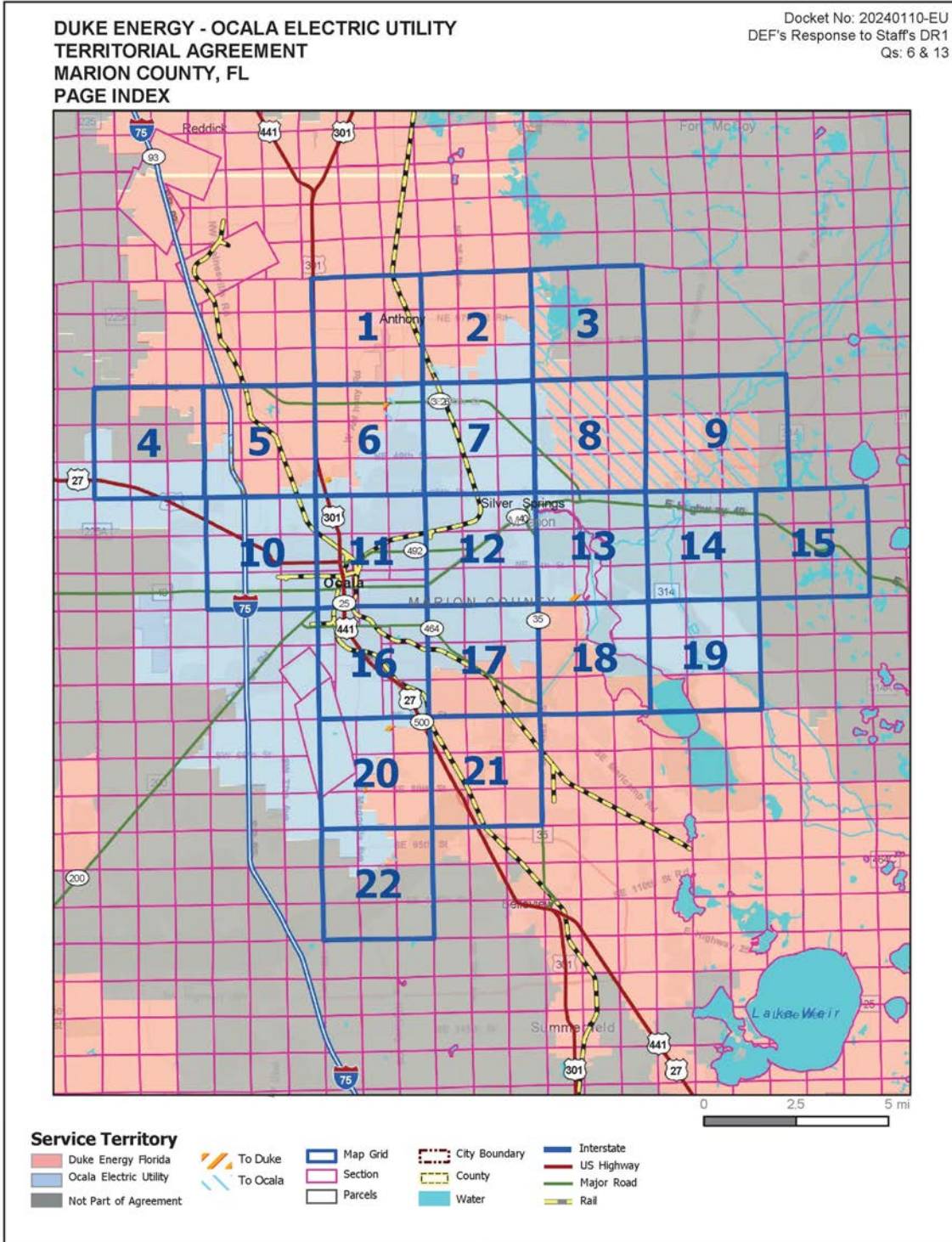
ELE/240252

EXHIBIT D

**EXTRA-TERRITORIAL CUSTOMERS SERVED BY THE CITY OF
OCALA AND SUBJECT TO TRANSFER TO DUKE ENERGY**

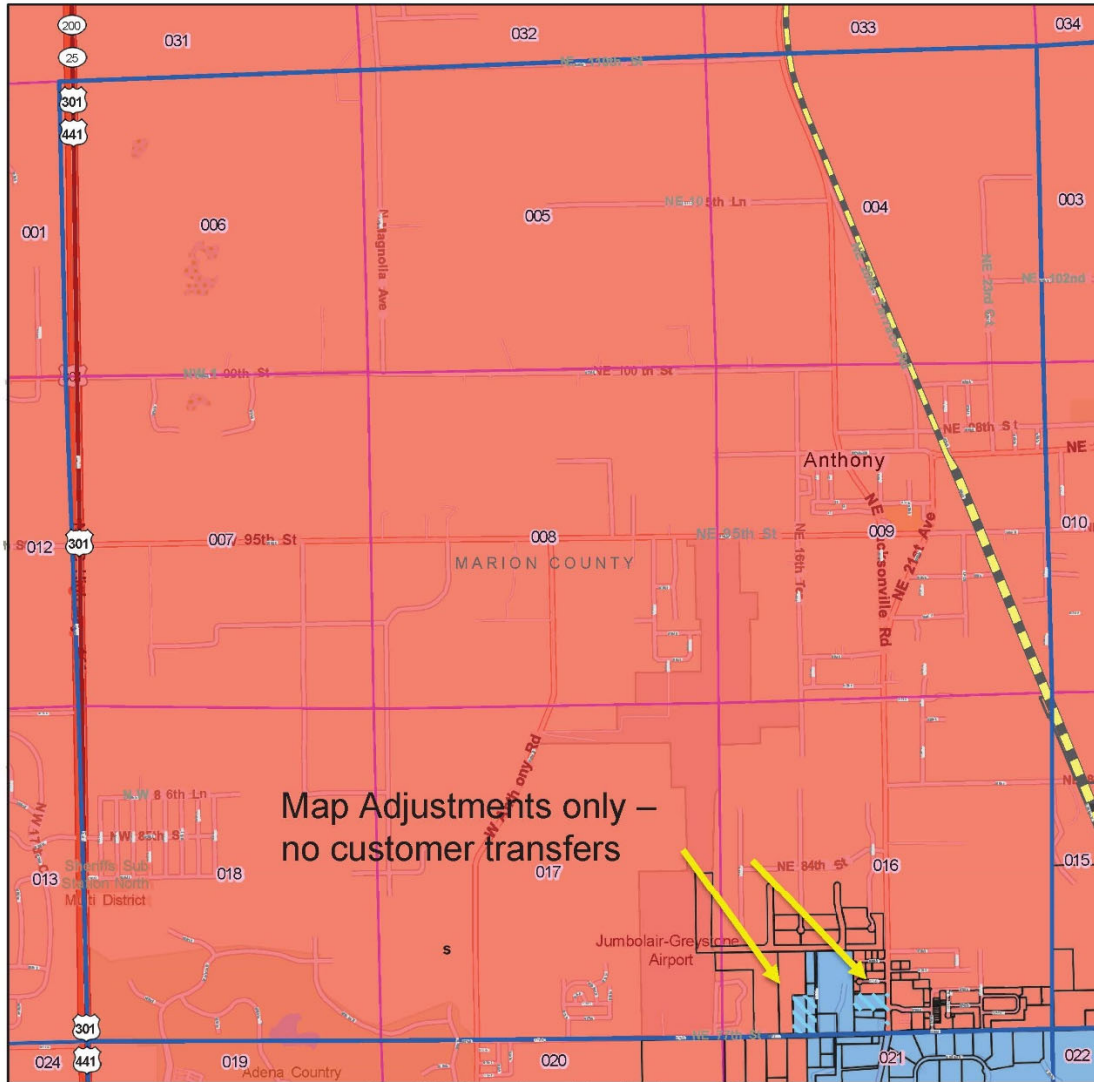
No	Premise Address	Customer Type	County	ID
1.	1274 NE 70 TH STREET, OCALA, FL 34479	COMMERCIAL	MARION	556357
2.	1274 NE 70 TH STREET, OCALA, FL 34479	COMMERCIAL	MARION	511028
3.	1672 NE 70TH STREET, OCALA, FL 34479	RESIDENTIAL	MARION	529275 (114002)
4.	1672 NE 70TH STREET, OCALA, FL 34479	RESIDENTIAL	MARION	529275 (117404)
5.	1672 NE 70TH STREET, OCALA, FL 34479	RESIDENTIAL	MARION	529275 (329128)
6.	3400 NW 35th STREET ROAD, OCALA, FL 34479	COMMERCIAL	MARION	512419

Informational Maps Depicting The Territorial Boundary Line Changes



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

Docket No: 20240110-EU
 DEF's Response to Staff's DR1
 Qs: 6 & 13



See 14S22E, Northeast Quadrant -- page 2

See 14S22E, Southwest Quadrant -- page 6

Quadrant: Northwest
Township: 14S
Range: 22E
County: MARION



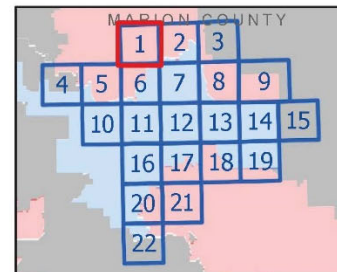
Service Territory
 Duke Energy Florida
 Ocala Electric Utility
 Not Part of Agreement

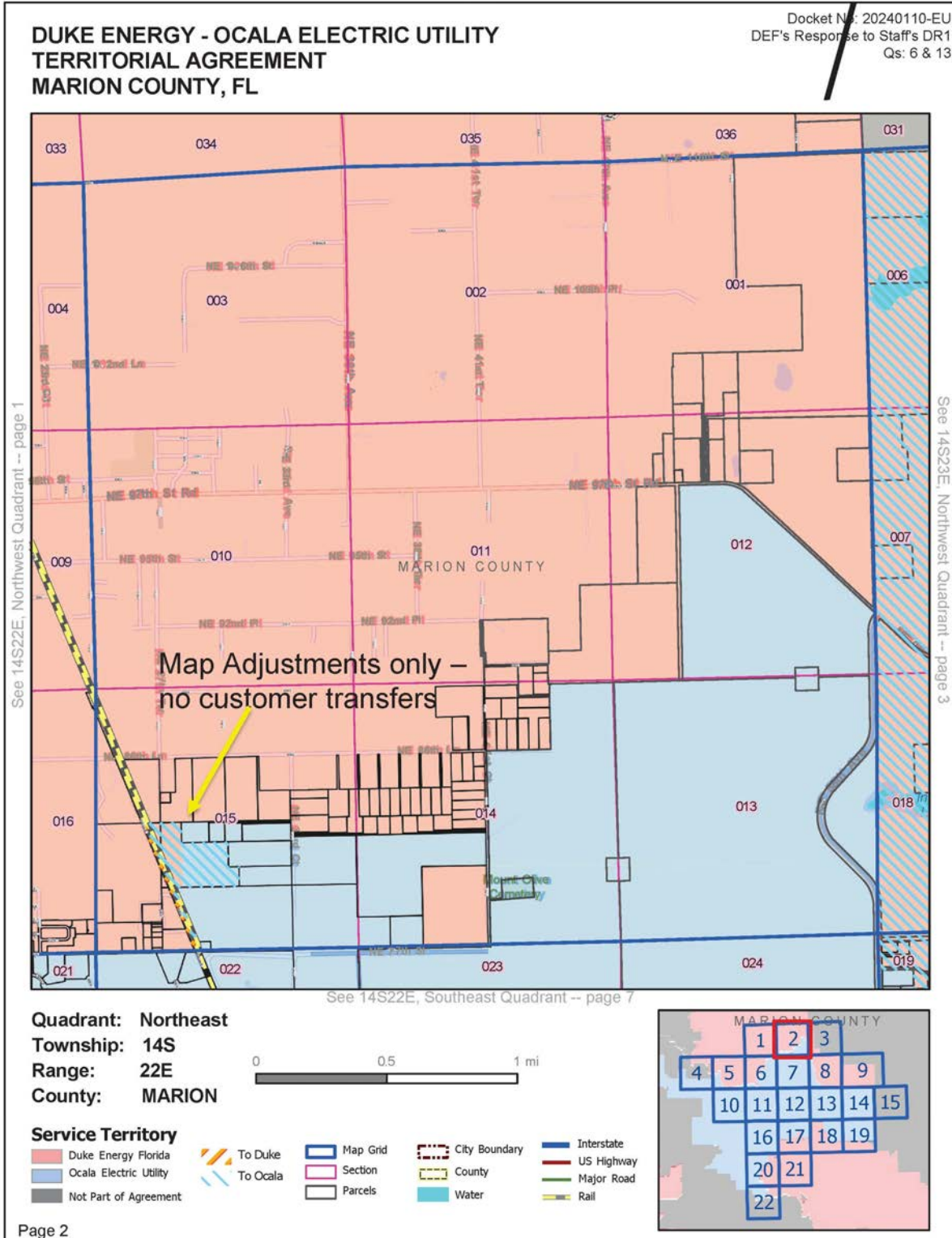
To Duke
 To Ocala

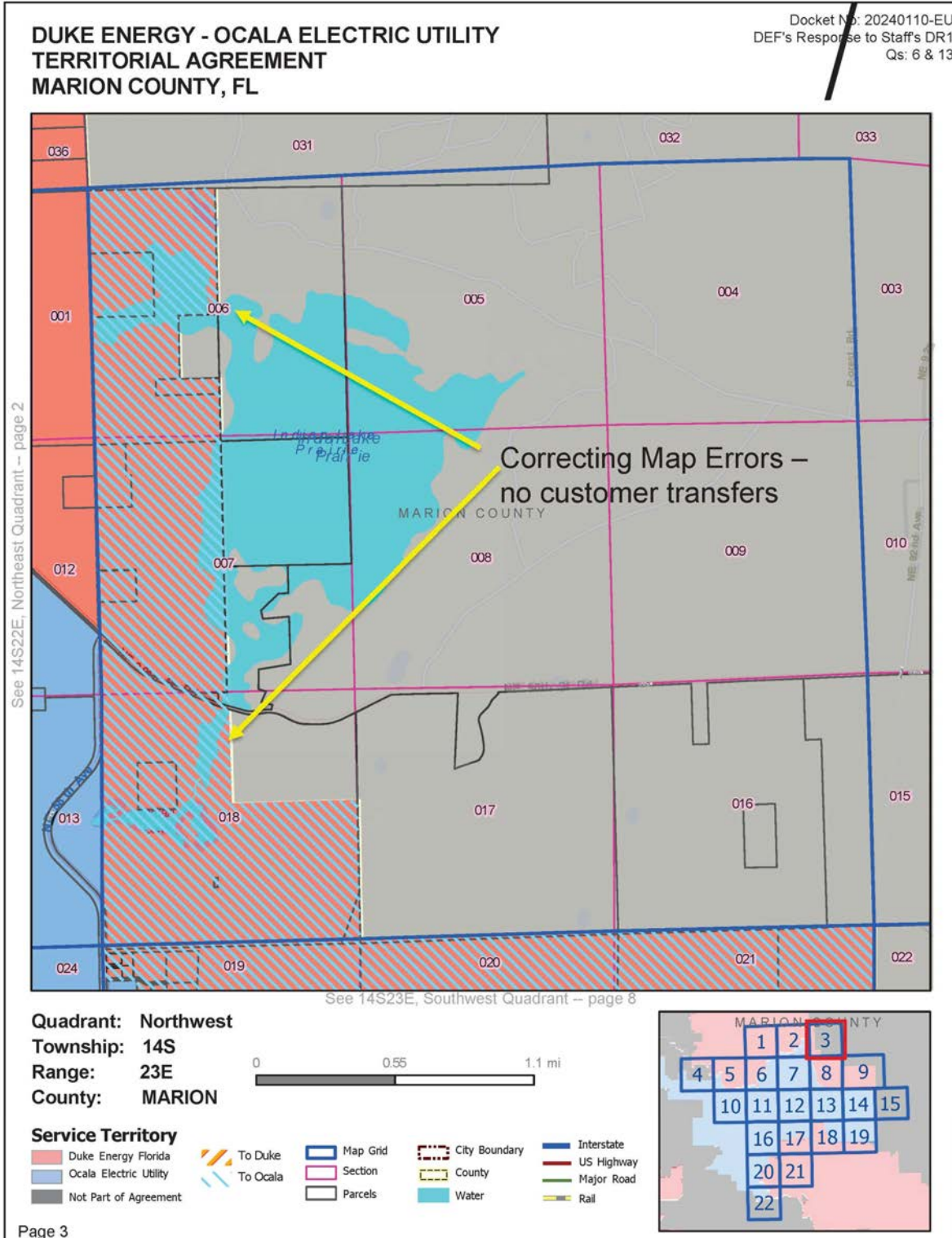
Map Grid
 Section
 Parcels

City Boundary
 County
 Water

Interstate
 US Highway
 Major Road
 Rail

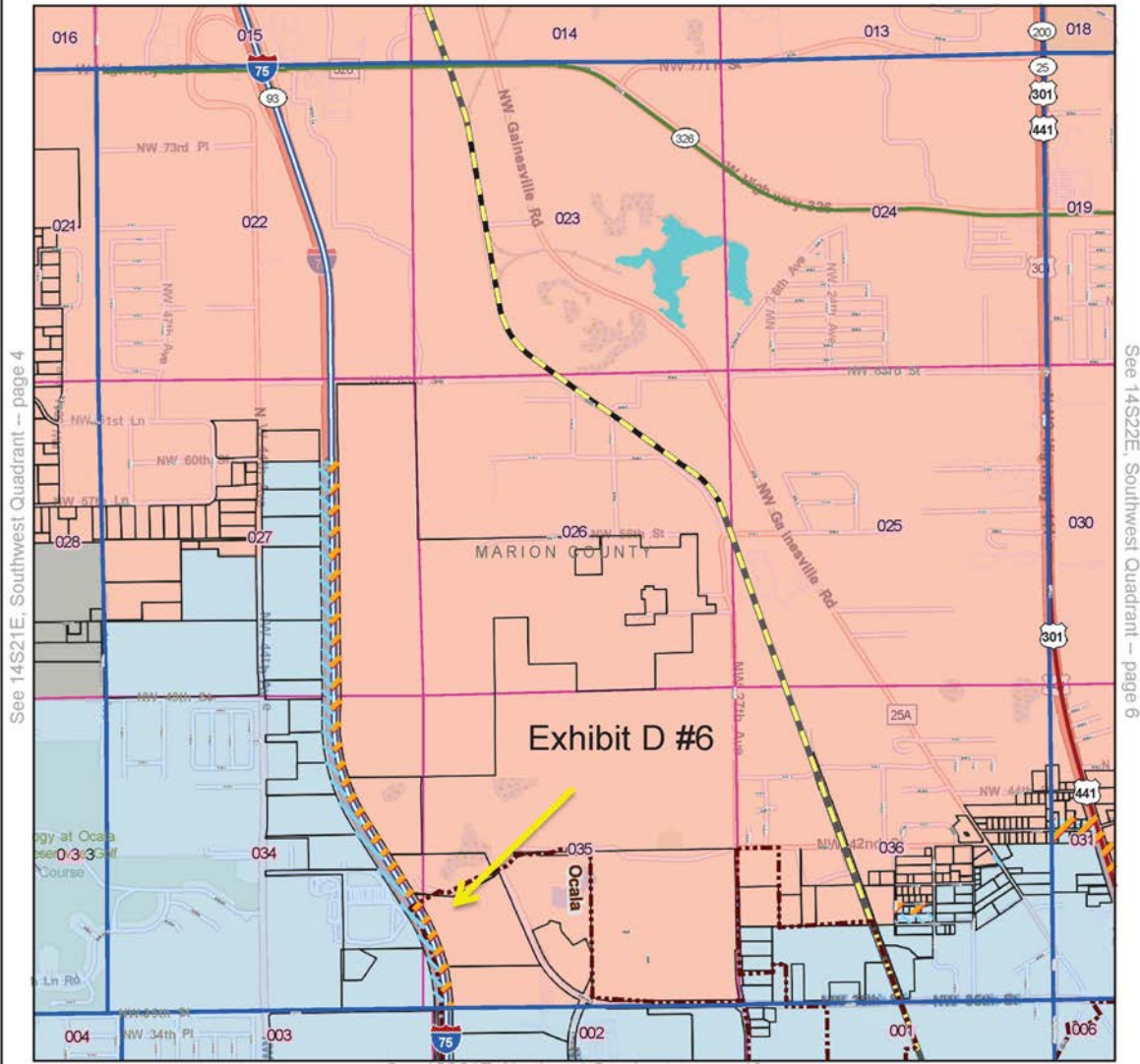






**DUKE ENERGY - OCALA ELECTRIC UTILITY
 TERRITORIAL AGREEMENT
 MARION COUNTY, FL**

Docket No. 20240110-EU
 DEF's Response to Staff's DR1
 Qs: 6 & 13

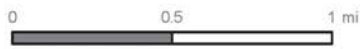


See 14S21E, Southwest Quadrant -- page 4

See 14S22E, Southwest Quadrant -- page 6

See 15S21E, Northeast Quadrant -- page 10

Quadrant: Southeast
Township: 14S
Range: 21E
County: MARION



Service Territory

- Duke Energy Florida
- Ocala Electric Utility
- Not Part of Agreement
- To Duke
- To Ocala
- Map Grid
- Section
- Parcels
- City Boundary
- County
- Water
- Interstate
- US Highway
- Major Road
- Rail

