

**Florida
Power**
CORPORATION

ORIGINAL
FILE COPY

J. Bradford Hines
Corporate Counsel

Via Federal Express

December 12, 1994

Ms. Blanco S. Bayo
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0870

940331-EL
~~941299-EL~~

RE: Joint Petition for Approval of Territorial Agreement
between Florida Power Corporation and Suwannee Valley
Electric Cooperative, Inc.

Dear Ms. Bayo:

Enclosed for filing please find fifteen (15) copies of the
Joint Petition for Approval of Territorial Agreement between
Florida Power Corporation and Suwannee Valley Electric Cooperative,
Inc.

Please acknowledge receipt of the above filing on the enclosed
copy of this letter and returned to the undersigned.

Thank you for your assistance.

Very truly yours,

J. Bradford Hines

JBH/lh
Enclosure

cc: C. Dean Lewis, Esq.

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

GENERAL OFFICE: 3201 Thirty-fourth Street South • P.O. Box 14042 • St. Petersburg • FL 33733-4042 (813) 866-8118 FAX (813) 866-8119



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12510 DEC 13 1994
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
FILE COPY

In re: Joint Petition for Approval)
of Territorial Agreement.)
Florida Power Corporation, a)
regulated utility and Suwannee)
Valley Electric Cooperative, Inc.,)
a rural electric cooperative)

DOCKET NO:

~~940331-EL~~

940331-EL

Submitted for Filing:

JOINT PETITION FOR
APPROVAL OF TERRITORIAL AGREEMENT

Florida Power Corporation ("FPC") and Suwannee Valley Electric Cooperative, Inc., ("SVEC") jointly petition the Commission for approval of a territorial agreement dated December 8, 1994 ("the Agreement"), entered into by and between FPC and SVEC, and in support thereof, say:

1. FPC and SVEC are electric utilities whose retail service territories are subject to the regulation of the Commission. FPC's principal place of business is located in St. Petersburg, Florida and SVEC's principal place of business is located in Live Oak, Florida.

2. All notices and pleadings in this matter should be served upon the following:

FOR FLORIDA POWER CORPORATION

Mr. Joseph H. Richardson
General Counsel
Florida Power Corporation
Post Office Box 14042
St. Petersburg, Florida 33733

Mr. J. Bradford Hines
Corporate Counsel
Florida Power Corporation
Post Office Box 14042
St. Petersburg, Florida 33733

DOCUMENT NUMBER-DATE

12510 DEC 13 1994

FPSC-RECORDS/REPORTING

FOR SUWANNEE VALLEY ELECTRIC COOPERATIVE, INC.

Mr. C. Dean Lewis
Airth, Sellers, Lewis & Prevatt
Post Office Drawer 8
Live Oak, Florida 32060

Mr. Stephen C. Quina
Director of Engineering
Suwannee Valley Electric
Cooperative, Inc.
Post Office Box 160
Live Oak, Florida 32060

3. On December 8, 1994, FPC and SVEC entered into an Agreement in an effort to more accurately define the parties' respective retail service territories which are contiguous in many places. The Agreement provides expressly that it is contingent upon the subsequent approval of the Florida Public Service Commission. The parties have not previously entered into a territorial agreement with respect to the counties covered by the Agreement except a territorial agreement dated March 3, 1990, covering portions of Lafayette County, which agreement was approved by the Commission by Order No. 22923 in Docket No. 881516-EU.

4. The Agreement addressed in this petition represents an effort by the parties to minimize costs to their respective customers by avoiding unnecessary duplication of generation, transmission or distribution facilities. Toward that end, the parties have established the territorial boundary line described in the Agreement to delineate their respective retail service territories, subject to the approval of the Commission.

5. The Commission is authorized by Section 366.04(2)(d), Fla. Stat., to approve and enforce territorial agreements by and between electric utilities. The Commission has promulgated Fla.

Admin. Code Rule 25-6.0440 to implement this authority. The Commission has often recognized the wisdom of such agreements, and has held that such agreements, when properly presented to the Commission, are advisable in proper circumstances, and, indeed, in the public interest.

6. There are certain geographic areas where the parties more recently have had some concern as to which of them should provide electric service to customers requesting such service. These areas are addressed in detail in the proposed Agreement. FPC and SVEC have discussed the provision of service to these areas and have reached tentative agreement, again subject to the approval of this Commission, as to which of the two utilities would be the most appropriate to serve the areas in question. Attached hereto as Exhibit No. 1 is a copy of the Agreement, which embodies the tentative agreement reached between the parties.

Effect on Existing Customers

7. Attached to the Agreement as Composite Exhibit "A" are maps defining the territorial boundaries which the parties seek to have the Commission approve in this proceeding.

8. Exhibit "B" of the Agreement identifies 60 customer accounts of SVEC which ultimately are to be transferred to FPC pursuant to the Agreement and 6 customer accounts of FPC which ultimately are to be transferred to SVEC pursuant to this Agreement. Section 2.3 of the Agreement provides for the elimination of overlapping services as the customer account undergo

a change of use as defined by this Agreement. A successor in ownership or possession who applies for service at the same service location as an existing customer listed in Exhibit "B" of the Agreement will be considered an existing customer the same as if he or she specifically had been listed on Exhibit "B" of the Agreement unless such service would be a change in use as defined by the Agreement. In any event, Section 2.7 of the Agreement provides that all transfers shall be completed within five years from the effective date of the Agreement.

9. Exhibit "C" of the Agreement identifies 49 customer accounts of SVEC and 4 customer accounts of FPC which, because of operational concerns, will be transferred to the other electric utility pursuant to Section 2.3 of the Agreement as soon as reasonably practicable following approval of the Agreement by the Commission without any transition period and without regard to any change of use as defined by the Agreement.

10. Attached hereto as Exhibit 2 are copies of the form of letters from FPC and SVEC to their respective customers who will be affected by Commission approval of the Agreement.

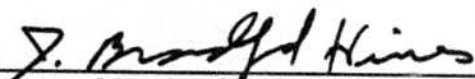
Effect on Service

11. There is no reasonable likelihood that the Agreement will cause a decrease in the reliability of electric service to the existing or future ratepayers of FPC or SVEC. The parties believe the provisions of the Agreement will help avoid future uneconomic duplications of facilities and prevent disputes and uncertainties.


12. Both parties believe that Commission approval of the Agreement would be consistent with the criteria set forth in Section 366.04 of Fla. Stat., and would complement the objectives of assuring an adequate and reliable source of energy in Florida and avoiding uneconomic duplications of generation, transmission or distribution facilities.

WHEREFORE, FPC and SVEC urge that the Commission enter its order approving the Agreement attached hereto as Exhibit No. 1.

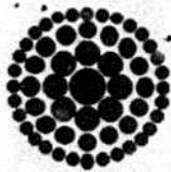
DATED this 12th day of December, 1994.



J. Bradford Hines
Corporate Counsel
Florida Power Corporation
Post Office Box 14042
St. Petersburg, Florida 33733



C. Dean Lewis
Airth, Sellers, Lewis & Prevatt
Post Office Drawer 8
Live Oak, Florida 32060



**Florida
Power**
CORPORATION

December 5, 1994

1~

RE: 2~

Dear 3~ :

I am writing to you, a current customer of Florida Power Corporation, to inform you of steps which are underway to eliminate the duplication of electric services in your area. In recent years the Florida Public Service Commission has periodically expressed concern that having more than one electric utility in an area can be dangerous and is more expensive to the consumer. The Florida Public Service Commission encourages bordering utilities to have territorial agreements to eliminate these duplications of facilities.

Florida Power Corporation and Suwannee Valley Cooperative Inc. have been negotiating to enter into a territorial agreement which would help both utilities serve existing and future consumers in the most economical manner. This should prevent future situations you may have seen where both utilities are on the same property with crossings lines, an expensive duplication of facilities.

Florida Power Corporation's management and Suwannee Valley Cooperative, Inc.'s Board of Directors have approved a form of agreement to accomplish these worthwhile goals. The approval of the Florida Public Service Commission is required before this Agreement can be put into effect.

This Agreement, if approved, will affect you in that your electrical service would be transferred and served by Suwannee Valley Cooperative Inc. within the next five years or upon a change of use, if applicable. Currently, Florida Power Corporation's rates for your class of service are somewhat less than Suwannee Valley Cooperative Inc. All reasonable steps will be taken to minimize any inconvenience to you. Please call us if you have any questions regarding the proposed transfer of service. You may call Florida Power Corporation at (904) 454-1406.

We would be pleased to discuss this with you at your convenience.

Sincerely,

Tom Tuckey
North Florida Area Manager



*Suwannee Valley
Electric Cooperative, Inc.*

POST OFFICE BOX 160 • LIVE OAK, FLORIDA 32060 • PHONE (904) 362-2226
December 7, 1994

Jesse and Deanna Mullis
512 N. First St.
Lake City, FL 32055

Re: Acct. # 6070200201

Dear Mr. and Mrs. Mullis:

I am writing to you, a member of Suwannee Valley Electric Cooperative, Inc., to inform you of steps underway to eliminate duplication of electric services in your area. In recent years the Florida Public Service Commission has expressed concerns that having more than one electric utility in an area can be dangerous and is more expensive to the consumer. The Florida Public Service Commission encourages bordering utilities to have territorial agreements to eliminate these duplications of facilities.

Florida Power Corporation and Suwannee Valley Electric Cooperative have been negotiating to enter into a territorial agreement which will help both utilities to serve existing and future consumers in the most economical manner. This should prevent future situations you may have seen where both utilities are on the same property with crossing lines, an expensive duplication of facilities.

Florida Power Corporation's management and Suwannee Valley Electric Cooperative's Board of Directors have approved a form of agreement to accomplish these worthwhile goals. The approval of the Florida Public Service Commission is required before this Agreement can be put into effect.

This Agreement, if approved, will affect you in that your electric service would be transferred to and service provided by Florida Power Corporation within the next five (5) years or upon a change of use if applicable. Currently, Florida Power Corporation's rates for your class of service is some what less than Suwannee Valley Electric Cooperative. All reasonable steps will be taken to minimize any inconvenience to you.

We solicit your opinion of the proposed transfer of service and you may call Suwannee Valley Electric Cooperative at (904) 362-2226. Either Kirk Head or myself will be pleased to discuss this with you at your convenience.

Very truly yours,

A handwritten signature in cursive script that reads "Steve Quina".

Steve Quina
Director of Engineering

Board of Directors
Suwannee Valley Electric Cooperative, Inc.

WE CARE - WE ARE CONSUMER OWNED