

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Jacksonville) DOCKET NO. 950307-EU
 Electric Authority to Resolve a) ORDER NO. PSC-96-0212-FOF-EU
 Territorial Dispute With Florida) ISSUED: February 14, 1996
 Power & Light Company in St.)
 Johns County)
 _____)

The following Commissioners participated in the disposition of this matter:

- SUSAN F. CLARK, Chairman
- J. TERRY DEASON
- JOE GARCIA
- JULIA L. JOHNSON
- DIANE K. KIESLING

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.

Case Background

On March 20, 1995, Jacksonville Electric Authority (JEA) petitioned the Florida Public Service Commission (Commission) to resolve a territorial dispute with Florida Power & Light Company (FPL). Pursuant to Section 366.04, Florida Statutes, we have jurisdiction to resolve this dispute. A hearing on the matter was set for September 27, 1995.

On August 28, 1995, JEA filed a Joint Motion to Suspend Remaining Filing and Hearing Dates. In that motion, the parties stated that they had reached a settlement of this matter and intended to file the appropriate documentation at a future date. By Order No. PSC-95-1086-PCO-EU, issued on August 31, 1995, the remaining filing and hearing deadlines scheduled for this docket were suspended and held in abeyance pending resolution of matters concerning the settlement agreement.

On October 6, 1995, JEA and FPL filed a Joint Motion to Approve a Territorial Agreement. The new territorial agreement is attached and incorporated in this Order as Attachment A. This

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agreement replaces the previous agreement between the two utilities in Clay, Duval, Nassau and St. Johns Counties. We approved the previous agreement in Order No. 9363, issued May 9, 1980, in Docket No. 790886-EU.

This matter was originally scheduled to be taken up at our November 21, 1995 Agenda Conference. On November 17, 1995, however, Florida Steel Corporation (Florida Steel) requested that the Commission defer consideration of the territorial agreement to allow Florida Steel additional time to fully review the new agreement. We deferred consideration of the matter to the December 5, 1995 Agenda Conference.

On December 4, 1995, the Mayor of the City of Jacksonville (City) forwarded a request that we defer consideration of the proposed territorial agreement. At the December 5, 1995 Agenda Conference, we determined that it would be appropriate to defer the item long enough for the City and JEA to discuss issues relating to the proposed agreement. The matter was deferred again to the February 6, 1996 Agenda Conference.

On December 5, 1995, Florida Steel Corporation filed a Motion to Intervene in this docket and Objection to Preliminary Agency Action. On Monday, December 18, 1995, FPL filed a Memorandum in Opposition to Florida Steel's motion and objection. On January 18, 1996, Florida Steel filed a Response to Florida Power & Light's Memorandum in Opposition to Florida Steel Corporation's Petition to Intervene.

In an effort to promote a resolution of Florida Steel's concerns, Commission staff scheduled a meeting for January 10, 1996. Representatives of Florida Steel, FPL, JEA, and the City of Jacksonville attended the meeting. Florida Steel presented its concerns at that meeting. Neither FPL nor JEA expressed a desire to withdraw the agreement in order to include Florida Steel in further negotiations. In addition, the representatives for JEA and the City of Jacksonville agreed that JEA was properly authorized to enter into the new territorial agreement. The meeting did not result in a resolution of Florida Steel's concerns.

On February 5, 1996, the prehearing officer issued Order No. PSC-96-0158-PCO-EU, denying Florida Steel's petition to intervene. Applying the test set forth in Agrico Chemical Co. v. Dept. of Environmental Regulation, 406 So.2d 478, 482 (Fla. 2nd DCA 1981), rev. denied 415 So. 2d 1359 (Fla. 1982), the prehearing officer found Florida Steel's claim insufficient to establish either an injury in fact or sufficient immediacy to warrant a Section 120.57

hearing, or an injury of a type designed to be protected by proceedings to approve a territorial agreement.

Order No. PSC-96-0158-PCO-EU further stated:

Sections 366.04(2) and (5), Florida Statutes, commonly called the "Grid Bill," authorize the Commission to approve territorial agreements and resolve territorial disputes in order to ensure the reliability of Florida's energy grid and to prevent further uneconomic duplication of electric facilities. The Grid Bill does not authorize the Commission to set territorial boundaries in response to one customer's desire for lower rates. This Commission has 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.

We considered the motion to approve the territorial agreement at our February 6, 1996 Agenda Conference. After hearing from representatives of FPL, JEA, Florida Steel, the Jacksonville Chamber of Commerce and First Coast Manufacturing, we decided to approve the new territorial agreement. The substance of that decision is set forth below.

SUMMARY OF PROVISIONS

The agreement addresses concerns about customers who continued to receive service from their original utility even though they were within the territory of the other utility under the previous agreement. The new agreement eliminates all of these "grandfathered" customers and effectively separates the two electric distribution systems. FPL will transfer 447 customer accounts to JEA and JEA will transfer 16 customer accounts to FPL pursuant to this territorial agreement. In accordance with Section 3.7 of the agreement, the utilities will refund the deposits of each of the transferred customers. The new utility will then bill the customer for a new deposit, if any, in an amount no greater than that required by the transferring utility. Customers will have three months to pay the deposit.

All transfers of distribution facilities necessary to accomplish the customer account transfers under the agreement shall be completed within one year of the Commission's final order approving the agreement. In the event that a customer is not transferred during this period, the transferring utility shall pay the other utility all non-fuel revenues received from the customer until the customer is transferred. The parties have agreed that JEA will pay FPL \$1,730,000 in compensation for the transfer of all customers and associated facilities, including customer revenue compensation, net book value of facilities, relocation costs, feeder tie construction costs, and cost recovery for all area improvements.

Section 3.10 of the agreement states that, in the case of exceptional circumstances, economic constraints, or good engineering practices, it may be necessary, upon written request, to provide interim service to a new customer whose end use facilities are located within the other party's territory. If the interim service lasts or is expected to last for more than one year, the parties will request formal approval of the service from the Commission.

The agreement provides that it will remain in effect until the Commission modifies or withdraws its approval after proper notice and hearing. Any modifications, changes, or corrections to this agreement are subject to Commission approval.

All customers subject to transfer under this agreement were notified of the pending transfer, advised of the differences in rates, and notified that we would consider the agreement at our November 21, 1995, Agenda Conference. Only five customers responded to the transfer notification letter. Four of the five customers opposed the transfer, citing dissatisfaction with previous JEA service. The remaining customer was concerned about losing FPL's Budget Billing Program. We have been advised, however, that JEA's average length of a service interruption is lower than FPL's and that JEA offers a similar billing program.

The utilities have agreed to transfer 463 customer accounts and the related distribution facilities within one year of the issuance of this Order approving the territorial agreement. If either utility is unable to transfer a customer account within this period, the utilities shall notify the Commission and submit a timeline of when the customer account will be ultimately transferred. This reporting requirement will ensure finality of the transfers.

We find that Jacksonville Electric Authority and Florida Power & Light Company's territorial agreement is reasonable and appropriate. The agreement benefits the public interest by establishing a boundary between the two utilities' distribution systems and by avoiding and eliminating uneconomic duplication of electric facilities in Clay, Duval, Nassau, and St. Johns Counties.

Based on the foregoing, it is therefore

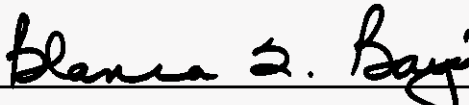
ORDERED by the Florida Public Service Commission that Florida Power & Light Company's and Jacksonville Electric Authority's Joint Motion to Approve a Territorial Agreement is granted. It is further

ORDERED that Florida Power & Light Company and Jacksonville Electric Authority shall notify the Commission if either utility is unable to transfer a customer account within one year from the date of this Order. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" 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 14th day of February, 1996.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

BC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 6, 1996.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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ATTACHMENT A

ATTACHMENT 'A'
TERRITORIAL AGREEMENT

**TERRITORIAL AGREEMENT
BETWEEN
FLORIDA POWER & LIGHT COMPANY
AND
JACKSONVILLE ELECTRIC AUTHORITY**

Section 0.1 Territorial Agreement - This is a Territorial Agreement made and entered into by and between FLORIDA POWER & LIGHT COMPANY, a corporation organized and existing under the laws of the State of Florida ("COMPANY"), and JACKSONVILLE ELECTRIC AUTHORITY ("AUTHORITY") for the express purpose of seeking an Order of the Florida Public Service Commission adopting the following recommended Territorial Agreement;

Section 0.2 WHEREAS, the COMPANY, by virtue of its Charter and the laws of the State of Florida, is authorized and empowered to furnish electricity and power to persons, firms and corporations throughout the State of Florida and pursuant to such authority presently furnishes electricity and power to customers in areas of St. Johns, Nassau and Duval Counties, Florida, and elsewhere; and

Section 0.3 WHEREAS, the AUTHORITY, as an electric utility created by the Charter of the Consolidated City of Jacksonville, Florida, is authorized under that Charter and the laws of the State of Florida to produce and provide electricity and power to customers in Duval County and elsewhere; and

Section 0.4 WHEREAS, the respective areas of service of the parties in Duval, St. Johns and Nassau Counties are contiguous in

many places with the result that future duplication of service facilities will occur unless such duplication is precluded by a territorial agreement; and

Section 0.5 WHEREAS, the Florida Public Service Commission ("COMMISSION") has previously recognized that any such duplication of said service facilities by the parties will result in needless and wasteful expenditures; and

Section 0.6 WHEREAS, the COMPANY and AUTHORITY have previously entered into territorial agreements and such agreements have been approved by the Commission; and

Section 0.7 WHEREAS, the COMPANY and AUTHORITY desire to avoid and eliminate any circumstances giving rise to possible duplication of service facilities and, to that end, desire to re-affirm and re-establish territorial boundaries; and

Section 0.8 WHEREAS, the Commission is empowered by Section 366.04, Florida Statutes, to approve territorial agreements;

Section 0.9 NOW, THEREFORE, in fulfillment of the purposes and desires aforesaid, and in consideration of the mutual covenants and agreements herein contained, the parties hereto, subject to the approval of the Commission, and subject to the terms and conditions herein set forth, do hereby agree as follows:

**ARTICLE I
DEFINITIONS**

Section 1.1 Territorial Boundary Lines - As used herein, the term "Territorial Boundary Lines" shall mean boundary lines which delineate areas on the map and legal description attached hereto as to Exhibit "A" and which differentiate and divide the COMPANY Territorial Area from the AUTHORITY Territorial Area in the counties of St. Johns, Nassau, Clay and Duval, Florida.

Section 1.2 COMPANY Territorial Area - As used herein, the term "COMPANY Territorial Area" shall mean the geographic area shown on Exhibit "A" labeled "FPL."

Section 1.3 AUTHORITY Territorial Area - As used herein, the term "AUTHORITY Territorial Area" shall mean the geographic area shown on Exhibit "A" labeled "JEA."

Section 1.4 End Use Facilities - As used herein, the term "End Use Facilities" shall mean a geographic location where the electric energy used by a customer is ultimately consumed.

Section 1.5 Distribution Facilities - As used herein, the term "Distribution Facilities" shall mean all electric facilities of either party having a voltage rating of up to but not including 69 KV.

ARTICLE II
TERMINATION OF PRE-EXISTING TERRITORIAL AGREEMENTS

Section 2.1 **Pre-Existing Territorial Agreements** - Upon final approval of this agreement by the Commission, the Territorial Agreement between the COMPANY and the AUTHORITY dated April 13, 1979 and approved by the Commission pursuant to Order Number PSC-9363 on May 9, 1980 is terminated as are any previous territorial agreements referenced in the 1979 agreement.

ARTICLE III
ELIMINATION OF OVERLAPPING FACILITIES

Section 3.1 **Transfer of Customers** - As a result of the establishment of the boundary herein certain customer accounts and distribution facilities shall be transferred between the parties to comply with Section 1.1. Until such transfers are accomplished pursuant to Section 3.5, each utility is authorized to continue providing service to those identified customer locations.

Section 3.2 Those customer accounts identified in Exhibit "B" shall be transferred from the AUTHORITY to the COMPANY.

Section 3.3 Those customer accounts identified in Exhibit "C" shall be transferred from the COMPANY to the AUTHORITY.

Section 3.4 Each party is responsible for making the necessary modifications to its facilities to effect the transfers in Sections

3.2 and 3.3. The COMPANY understands that the improvements necessitated by movement of its distribution lines to the south side of C.R. 210 and Palm Valley Road must be completed prior to the completion of construction of the AUTHORITY's distribution facilities necessary to serve customers transferred from the COMPANY to the AUTHORITY. Accordingly, the COMPANY agrees to work with the AUTHORITY to expedite the COMPANY's construction of new distribution facilities along C.R. 210 and Palm Valley Road in an orderly manner.

In addition, in the event of the failure to complete the transfer of all customers and facilities within one year from the date of final Commission approval of this agreement, the transferring utility shall pay the other utility all non-fuel revenues received from every customer not transferred until such time as the customer is transferred to the other utility. For purposes of this penalty provision, any payments due shall be calculated based upon the first day of a new billing period occurring after one year from the date of final Commission approval of this agreement and extending until the date the customer is actually transferred.

Section 3.2 Timing of Transfers - The distribution facilities of either party that are located in the other party's Territorial Area, not including the express feeders referred to by section 3.11 of this Agreement, and the identified customer accounts, shall be transferred to the appropriate party within one year of the

COMMISSION's final order approving this Territorial Agreement. The one year period beginning with the Commission's final order of approval shall be the "transfer period".

If during the transfer period major repairs to the facilities to be transferred occur before the transfer due to damage from a hurricane, tropical storm, or tornado, then the party which is to acquire those facilities shall pay, upon presentation of appropriate cost information, all capital costs only of the aforesaid repairs. However, before any major storm damage repairs are made, the acquiring party shall be given the opportunity to do the repairs itself, and effectuate the transfer of those storm damage customers at the time of repair. The parties hereto agree to timely notify each other, by letter, of any governmental mandate to relocate, for road modifications, facilities scheduled for transfer, and coordinate the customer transfers to allow the receiving party to carry out the relocation.

Prior to and after transfer of these facilities, it may be necessary for the parties to jointly use certain facilities and the COMPANY and AUTHORITY shall enter into, as necessary, an appropriate joint use agreement for those specific facilities. Facilities are to be transferred in good operating condition. Customer meters and oil-filled equipment will not be transferred. Upon transfer of any facilities, the receiving utility shall be solely responsible for any maintenance, removal, upgrading or improvements to those facilities.

Section 3.6 Bulk Power - No provision of this Agreement shall be construed as applying to either bulk power supply for resale, or to facilities dedicated to such bulk power supply that operate at a voltage of 69 KV or higher.

Section 3.7 Customer Deposits - The utilities intend that transferred customers suffer no hardship due to different deposit requirements of each utility. The transferring utility will refund and/or apply to the final bill any deposit currently applicable. The receiving utility may then bill the customer a deposit, provided that such deposit is no greater than the deposit required by the transferring utility. The customer will be allowed to make up to three equal payments over three months to meet the deposit requirements of the receiving utility.

Section 3.8 All easements, street light contracts and joint use agreements held by either the COMPANY or the AUTHORITY necessary or appurtenant to serving customers transferred pursuant to this Agreement are hereby assigned to the utility receiving the transferred customers.

Section 3.9 Allocations - The COMPANY Territorial Area, as herein defined, is hereby allocated to the COMPANY as its service area, and the AUTHORITY Territorial Area, as herein defined, is hereby allocated to the AUTHORITY as its service area. The parties shall each have the right to provide retail

distribution electric service to all customers within their respective territorial area. Neither party shall hereafter serve or offer to serve a retail customer whose End Use Facilities are located in the territorial area of the other party except as provided in Section 3.10 below.

Section 3.10 Temporary Service - The parties recognize that in exceptional circumstances, economic constraints or good engineering practices may indicate that a customer's end use facilities either cannot or should not be immediately served by the party in whose territorial area they are located. In such situations, upon written request by the party in whose territorial area the end use facilities are located, to the other party, the other party may agree in writing to temporarily provide service to such customer. If such temporary service lasts, or is expected to last for more than one year, the parties will seek formal approval of the service from the Commission.

During the Transfer Period, as defined in Section 3.5, in the event any customer located within one party's service territory requests service from the other party, and the party within whose territory the customer is located approves the provision of such service, then, upon final transfer of that customer, that party shall reimburse the other party for the difference in revenues received from that customer and capital costs expended in providing such service. Transformers and meters shall not be considered as capital costs with respect to the provision of new service.

The party within whose territory the new customer is located may elect to perform any or all work necessary for the establishment of new service for a new customer; however the party actually providing service shall set a meter for the customer, bill the customer, and receive revenues from the customers until such time as a final transfer of such customer occurs.

Section 3.11 Express Feeders - The COMPANY and AUTHORITY shall each have the right to construct and maintain underground 3-phase feeder lines within the Territorial Area of the other party for the purpose of express feed through the area. No such facilities shall be used by the COMPANY or the AUTHORITY to provide service to customers located in the service area of the other party.

ARTICLE IV
PREREQUISITE APPROVAL

Section 4.1 Regulatory Approval - The provisions of this Agreement are subject to the regulatory authority of the Commission whose approval shall be a prerequisite to the validity and applicability hereof. Neither party shall be bound hereunder until such approval has been obtained.

ARTICLE V
DURATION

Section 5.1 Duration - This Agreement shall continue and remain in effect until the Commission, by order, modifies or withdraws its approval of this Agreement after proper notice and hearing.

ARTICLE VI
CONSTRUCTION OF AGREEMENT

ATTACHMENT A

Section 6.1 **Intent and Interpretation** - It is hereby declared to be the purpose and intent of this Agreement, in accordance with which all provisions of this Agreement shall be interpreted and constructed, to eliminate and avoid needless and wasteful expenditures, duplication of facilities and potentially hazardous situations, which would otherwise result from unrestrained competition, between the parties operating in overlapping service areas.

Section 6.2 **Annexation** - Annexation or de-annexation shall not affect this Agreement.

ARTICLE VII
MISCELLANEOUS

Section 7.1 **Negotiations** - Whatever terms or conditions 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 hereto unless the same shall be in writing, signed by both parties, and approved by the Commission. However, nothing in this Agreement shall be construed as prohibiting either party from unilaterally initiating an action before the Florida Public Service Commission, or other entity with appropriate

jurisdiction, seeking modification or cancellation of this Agreement.

Section 7.2 No Assumption of Liabilities by COMPANY - The COMPANY shall not assume or be responsible for any financial obligations or liabilities of the AUTHORITY. Without limiting the generality of the foregoing, the COMPANY shall not assume or be responsible for:

(a) Any tax, penalty or fee assessed on the AUTHORITY arising out of or resulting from the transfer or facilities;

(b) Any tax, penalty or fee resulting from the operations of the facilities before the date of transfer;

(c) Any attorney's, accountant's or other fees or expenses incurred by the AUTHORITY in connection with this Agreement or any transaction made necessary by this Agreement;

(d) Any liabilities or obligations resulting from any lawsuit or proceeding in any way related to the AUTHORITY arising out of transactions or events in any way related to the facilities;
or

(e) Any accrued but unpaid obligation of the AUTHORITY.

Section 7.1 No Assumption of Liabilities by AUTHORITY - The AUTHORITY will not be responsible for any financial obligations or liabilities of the COMPANY. Without limiting the generality of the foregoing, the AUTHORITY shall not assume or be responsible for:

(a) Any tax, penalty or fee assessed on the COMPANY

arising out of or resulting from the transfer of facilities;

(b) Any tax, penalty or fee resulting from the operations of the facilities after the date of transfer;

(c) Any attorney's, accountant's or other fees or expenses incurred by the COMPANY in connection with this Agreement or any transaction made necessary by this Agreement;

(d) Any liabilities or obligations resulting from any lawsuit or proceeding in any way related to the COMPANY arising out of transactions or events in any way related to the facilities; or

(e) Any occurred but unpaid obligation of the COMPANY.

Section 7.4 Environmental Indemnification - The AUTHORITY shall indemnify and hold the COMPANY harmless from and against any claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith, including but not limited to attorney's fees, paralegal charges and expenses, arising directly, or indirectly, in whole or in part, out of:

(a) Any activity by the AUTHORITY'S employees, contractors or agents, in connection with the treatment, decontamination, handling, removal, storage, cleanup, transport or disposal of hazardous material related to the AUTHORITY'S facilities transferred to the COMPANY; and

(b) The presence caused by the AUTHORITY, its employees, agents or contractors of any hazardous materials or releases or

discharges of hazardous materials associated with the AUTHORITY'S facilities transferred to the COMPANY occurring before the transfers.

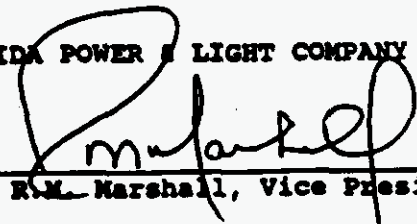
The COMPANY shall indemnify the AUTHORITY in the same manner for (a) and (b) above, as they relate to the COMPANY'S facilities transferred to the AUTHORITY.

IN WITNESS WHEREOF, this Agreement has been caused to be executed in triplicate by the AUTHORITY in its name by its Manager and by the COMPANY in its name by its Vice President; and one of said triplicate copies has been delivered to each of the parties hereto.

JACKSONVILLE ELECTRIC AUTHORITY

By: _____

FLORIDA POWER & LIGHT COMPANY

By:  _____
R.M. Marshall, Vice President

discharges of hazardous materials associated with the AUTHORITY'S facilities transferred to the COMPANY occurring before the transfers.

The COMPANY shall indemnify the AUTHORITY in the same manner for (a) and (b) above, as they relate to the COMPANY'S facilities transferred to the AUTHORITY.

IN WITNESS WHEREOF, this Agreement has been caused to be executed in triplicate by the AUTHORITY in its name by its Manager and by the COMPANY in its name by its Vice President; and one of said triplicate copies has been delivered to each of the parties hereto.

JACKSONVILLE ELECTRIC AUTHORITY

By: 

FORM APPROVED


ASSISTANT GENERAL COUNSEL

FLORIDA POWER & LIGHT COMPANY

By: R.M. Marshall, Vice President

EXHIBIT "A"

**JEA/FPL SERVICE AREA BOUNDARIES
PREPARED BY JEA, OCTOBER 2, 1995**

LEGAL DESCRIPTION

The lines of demarcation defining to each the territory of the other are depicted upon the maps appended to this Agreement, and said maps shall be a part hereof. The lines of demarcation are verbally described as follows:

Begin at the center line of Nassau River at its Atlantic Ocean outfall, also being the Nassau County-Duval County coterminous border, and the territorial boundary between JEA and Florida Power and Light Company as established in 1964 under Florida Public Service Commission Docket 7421-EU; thence Westerly and Southwesterly along the above-described Nassau-Duval County line and territorial boundary line, to a point where said JEA-FP&L boundary departs the Nassau-Duval border in a Southerly direction, said point being the West line of Section 14, Township 1 South, Range 24 East; thence Southerly along said JEA-FP&L boundary, also being the West line of Sections 14, 23, 26 and 35, said Township and Range, and continuing Southerly along the West line of Sections 2, 11, 14, 23, 26 and 35, Township 2 South, Range 24 East; thence Westerly continuing along said JEA-FP&L boundary, also being the Southerly line of Sections 14, 33, 32 and 31; thence Southerly along said JEA-FP&L boundary, also being the West line of Sections 6, 7, 18, 19 and the North one-eighth of Section 30, Township 3 South Range 24 East, to the Northerly right-of-way line of Normandy Boulevard (State Road 228) as now established; thence Southeasterly diagonally across Sections 30 and 31 and to the South line of Section 32, Township 3 South Range 24 East, also being the Duval County - Clay County coterminous border; thence continuing Southeasterly along said JEA-FP&L boundary diagonally across Sections 5, 4, 9, 10, 15, 14, 23, 24 and to the East line of Section 25, Township 4 South Range 24 East; thence continuing Southeasterly diagonally across Sections 30, 31 and to the South line of Section 32 Township 4 South Range 25 East; thence continuing Southeasterly diagonally across Sections 5, 4, 9, 10, 15, 14, 23, 24, and to the Northerly terminus of the West line of Section 30 Township 5 South Range 26 East; thence Southerly along said JEA-FP&L boundary also being the West line of Sections 30 and 31 Township 5 South Range 26 East; thence continuing Southerly along the West line of Sections 6 and 7; thence Easterly along said JEA-FP&L boundary also being the South line of Sections 7, 8 and 9 to a point where the West Corporate limits of the City of Green Cove Springs joins the South line of Section 9; thence Southerly and Easterly along said Corporate limits line to the centerline of State Road 209; thence meandering in a Southerly direction along the centerline of State Road 209 to the intersection with County Road 15; thence Easterly

to the center of the St. Johns River; thence Northerly along said JEA-FP&L boundary, also being the prolongation of the West lines of Sections 4 and 9, Township 6 South, Range 27 East and continuing Northerly along the West line of Section 33, Township 5 South, Range 27 East to the center of State Road 210; thence Easterly and Northeasterly along said JEA-FP&L boundary, also being the centerline of State Road 210 to the Westerly terminus of Micklers Landing Road as now established and meandering Northeasterly and Easterly along the centerline of said Micklers Landing Road through Sections 15, 73 and 46, Township 4 South Range 29 East, to State Road 203 and along the Easterly prolongation of said Micklers Landing Road to the Atlantic Ocean.

10/02/95