FLORIDA

PUBLIC UTILITIES COMPANY

P.O. Box 3395 West Palm Beach Florida 33402-3395

February 29, 1996

Florida Public Service Commission Blanca S.Bayo, Director Division of Records and Reporting 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

960363-60

Dear Ms. Bayo:

A territorial agreement between Florida Public Utilities Company (FPUC) and Palm Beach County Utilities Corporation (PBCUC) was approved by the Florida Public Service Commission (FPSC) and became effective February 8, 1991.

A provision contained in the agreement requires the agreement be submitted to and Please accept this letter as a reviewed by the FPSC every five (5) years. request by FPUC and Peoples Gas System. Inc. to review this agreement and to consider incorporating the following changes;

(1) change PBCUC to Peoples Gas System, Inc. (PGS) as a party to the agreement.

(2) consider expanding FPUC's approved territory east of the intra-coastal waterway by relocating a portion of the boundary west and north.

The heed to change the parties to the agreement is obvious. Peoples Gas System, : Inc. has since purchased Palm Beach County Utilities Corporation and the original agreement; does not include a successor or assignees clause. This agreement effectively became void upon the purchase of PBCUC by Peoples as PBCUC ceased to Both companies have continued to honor the existing approved agreement exist, Both companies have throughout this time period.

Since the execution of this agreement, FPUC has expanded its system by crossing the intra-coastal waterway (west to east) installing gas mains north and south along U.S. Highway One east of the intra-coastal waterway from Golfview Way on south to the existing east/west territorial boundary line (the south municipal boundary of the town of Juno Beach) north of Pleasant Drive. northern most section of this main is presently under construction and, as a result of FPU'S construction activities. FPUC has received inquiries and requests to provide natural gas service to potential customers located north and west of the existing north boundary (outside of FPU's territory). To date, no action has been taken on these requests.

Florida Public Utilities Company and Peoples Gas System. Inc. both agree to relocating a portion of the north boundary line east of the intra-coastal waterway. Redefining the northern boundary as set forth in enclosed "Exhibit B" would permit FPUC to serve those customers requesting gas service outside of FPUC's present service area and prevent the future possibility of duplication of facilities along U.S. Highway One.

Enclosed for your convenience and review are:

- Copy of original agreement between FPUC and PBCUC
- Copy of area map showing existing territorial boundary
 Copy of FPSC's original Order 24260 issued in Docket No.
- Copy of FPSC's original Order 24260 issued in Docket No. 900700-GM
- Copy of proposed addendum to facilitate these changes
- Copy of Exhibit 'B' which describes the revised boundary

Copy of area map showing revised boundary.

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Page 2 Blanca S. Bayo, Director February 29, 1996

Your prompt attention to this matter will be appreciated. Should you need additional information or require this information in a different format, please direct your request to F.C. Cressman at Florida Public Utilities company.

PEOPLES GAS SYSTEM, INC.

Sincerely.

F.C. Cressman, President FLORIDA PUBLIC UTILITIES CO.

FCC/mrw Enclosure(s)

Pres.fcc 1995 / pbcuc.ltr

TERRITORIAL AGREEMENT

THIS TERRITORIAL AGREEMENT is entered into between FLORIDA
PUBLIC UTILITIES COMPANY (FPUC) and PALM BEACH COUNTY UTILITIES CORPORATION
(PBCUC) and shall be effective upon approval of the Florida Public Service
Commission (FPSC).

WHEREAS, FPUC and PBCUC are both natural gas distribution companies authorized by the FPSC to serve customers in Northeastern Palm Beach County and

WHEREAS, FPUC and PBCUC have gas distribution systems adjacent to each other along reasonably defined boundaries which serve to separate their service areas with the exception of one area, at which area the systems actually cross each other, and

WHEREAS, the FPSC has entered an Order in Docket No. 900700-GU and has scheduled a hearing to resolve the dispute between FPUC and PBCUC regarding which entity has the right to serve a certain area in Palm Beach County, which each has proposed to serve, and

WHEREAS, the unnecessary duplication of facilities (1) results in the wasteful expenditure of capital which is contrary to FPSC policies and is not in the best interest of the customers, and (2) would compromise the integrity of the systems and thus, public safety;

NOW THEREFORE, for and in consideration of the mutual covenants set forth herein, the parties agree as follows:

- FPUC and PBCUC service areas will be separated by the boundary line described and defined on Attached Exhibit "A" which is hereby incorporated into this Agreement.
- 2. That except for those existing in the vicinity of Prosperity Farms Road and PGA Boulevard, both companies will refrain from installing distribution mains or services which will cross and duplicate other facilities or which would intrude into the other Company's service area.
- They will not solicit potential or existing Natural Gas Customers within the other Company's service area.
- 4. Should a customer of one Company request service from the other Company, and that customer qualifies for service according to the terms and conditions of the Florida Public Service Commission's Rules and Regulations, the Company will not provide service to that customer unless ordered to do so by the FPSC or by a Court of Law.

- 5. This Agreement will become void and unenforceable should the FPSC's Jurisdiction in Service Territorial matters be ruled invalid by a Court of final appellate jurisdiction.

 6. Should either Company become a defendant in a legal action as a result of this Agreement, the other Company will participate in that suit and shall be liable to the defendant Company for fifty (50) percent of legal and other costs incurred by defendant Company as a result of the suit, less the other Company's cost of participation; provided, however, that the defendant Company shall provide the other Company with notice of said legal action within a reasonable time, but no later than thirty (30)
- 7. Should a project to be provided with gas service be located in such a manner that it would straddle, or be divided by this boundary line, the Company with the initial contract to provide service to the project shall service the entire project and the boundary line shall be modified to include the entire area of the project within the service area of that Company.
- 8. This Agreement and boundary line set forth herein may be modified only upon prior review and approval of the FPSC.

days following its written receipt of notice of said legal action.

- 9. This Agreement shall be executed by FPUC and PBCUC and submitted to the FPSC for approval and shall become effective on the date that approval is received, and shall remain in effect until modified or vacated by the FPSC.
- This Agreement shall be submitted to and reviewed by the FPSC every five (5) years.
- 11. The fact of any party's participation in this Agreement shall not be considered to be an admission of any liability, and the parties entering into this Agreement specifically deny any liability and are participating solely to resolve a dispute without litigation pursuant to applicable FPSC policy.
- 12. The parties to this Agreement undertake the obligations stated herein solely for the purpose of adhering to state policy favoring territorial agreements between public utilities. This Agreement is governed by Section 366.04(3), Florida Statutes (1989), that expressly confers authority on the FPSC to approve territorial agreements between natural gas utilities. Upon approval by the FPSC, the Agreement will merge

into and become part of the FPSC order that approved it. The Agreement thereafter will have no existence or effect apart from the FPSC order. The FPSC has the exclusive authority and regulatory responsibility to interpret, modify, or terminate the Agreement. Public Service Commission V. Fuller, 551 So. 2d 1210 (Fla. 1989).

IN WITNESS WHEREOF, Florida Public Utilities Company and Palm Beach County Utilities Corporation have hereunto affixed their respective hands and seals.

ACCEPTED	ACCEPTED
FLORIDA PUBLIC UTILITIES COMPANY	PALM BEACH COUNTY UTILITIES CORPORATION
BY Fllassman	BY Dawn
TITLE President	TITLE Explice Vice hender
DATE 2-8-9/	DATE 2-8-9/

EXHIBIT "A"

Beginning at a Western point where the centerlines of Northlake Boulevard (Lake Park Road West) and The Beeline Highway intersect the said boundry shall run generally in a Southeasterly direction along the centerline of the Beeline Highway to a point of intersection with the South section line of Section 23 of Township 42 South, Range 42 East, thence east along South section line of Sections 23 and 24 of Township 42 South, Range 42 east and Sections 19 and 20 of Township 42 South, Range 43 east to the point of intersection with the centerline of the Florida East Coast Railroad track line thence generally Northward along the RR centerline to a point of intersection with the centerline of Northlake Boulevard thence East along centerline of Northlake Boulevard to a point of intersection with the centerline of Old Dixie Highway thence generally Northward along centerline of Old Dixie Highway to boundary line separating the Town of Palm Beach Gardens and The Village of North Palm Beach thence generally North along the boundary for the Town of Palm Beach Gardens to a point of intersection with South right-of-way line for RCA Boulevard thence East along said right-of-way to the point of intersection with the West right-of-way line of Prosperity Farms Road thence North along said right-of-way line a distance of 720 feet thence West a distance of 500 feet thence North a distance of 1400 feet thence East a distance of approximately 600 feet to the point of intersection with the Municipal boundary of the Town of Palm Beach Gardens thence generally Eastward along said boundary to the point of intersection with the centerline of the Intracoastal Waterway thence North along ICW centerline to the point of intersection with the centerline of PGA Boulevard thence West along centerline of PGA Boulevard to the West right-of-way line of Prosperity Farms Road thence North along the West right-of-way line to the Municipal boundary line of the Town of Palm Beach Gardens then East along boundary line (South of Idlewild Court) to the centerline of the Intracoastal Waterway thence North along centerline of ICW to a point where the westerly projection of the South Municipal boundary of the Town of Juno Beach North of Pleasant Drive would intersect thence East on said projection to the boundary line and thence East and North along the Municipal Limits of the Town of Juno to the Atlantic Ocean.

ADDENDUM TO TERRITORIAL AGREEMENT

On February 8, 1991, a territorial agreement, as approved by the Florida Public Service Commission (FPSC), between Florida Public Utilities Company (FPUC) and Palm Beach County Utilities Company (PBCUC) became effective. Subsequent to the effective date, PBCUC was purchased by Peoples Gas System, Inc. (PGS). A condition of the agreement requires the agreement to be submitted to and reviewed by the FPSC every five years. Florida Public Utilities Company and Peoples Gas System, Inc. both agree that upon the initial 5-year review, the following changes were made to and became a part of the original agreement.

- All references to Palm Beach County Utilities Company (PBCUC) be deleted and replaced with Peoples Gas System, Inc.
- 2. The boundary line separating the service areas as described and defined in attached Exhibit "A" which was incorporated into the agreement is hereby superseded by a boundary line described and defined in the attached "Exhibit B", which is hereby incorporated into the agreement.
- 3. All other terms conditions, requirements and covenants contained in the original agreement shall remain in full force and effect. This addendum shall become effective upon date of first approval by the Florida Public Service Commission and remain in effect until modified, changed or canceled by future action of said commission.

	Signacure
	F. C. CRESSMAN Print or Type
Title:	- President
Date:	March 1, 1996
Accepted for: Peop By:	D. R. POUNTAGY Reculary B.R. POUNTAGY
Title:	SA. VP WHz
Date:	3/15/16

Flleuman

Accepted for: Plorida Public Utilities Company

EXHIBIT 'B'

Beginning at a western point where the centerline of Northlake Boulevard (Lake Park Road West) and The Beeline Highway intersect the said boundary shall run generally in a southeasterly direction along the centerline of The Beeline Highway to a point of intersection with the South Section line of Section 23 of Township 42 South, Range 42 East, thence east along South Section line of Sections 23 and 24 of Township 42 South, Range 42 East and Sections 19 and 20 of Township 42 South, Range 43 East to the point of intersection with the centerline of the Florida East Coast Railroad track line thence generally northward along the RR centerline to a point of intersection with the centerline of Northlake Boulevard thence east along centerline of Northlake Boulevard to a point of intersection with the centerline of Old Dixie Highway thence generally northward along centerline of Old Dixie Highway to boundary line separating the Town of Palm Beach Gardens and The Village of North Palm Beach thence generally north along the boundary for the Town of Palm Beach Gardens to a point of intersection with south right-of-way line for RCA Boulevard thence east along said right-ofway to the point of intersection with the west right-of-way line of Prosperity Farms Road thence North along said right-of-way line a distance of 720 feet thence West a distance of 500 feet thence north a distance of 1400 feet thence east a distance of approximately 600 feet to the point of intersection with the municipal boundary of The Town of Palm Beach Gardens thence generally eastward along said boundary to the point of intersection with the centerline of the Intracoastal Waterway thence north along ICW centerline to the point of intersection with the centerline of PGA Boulevard thence west along centerline of PGA Boulevard to the west right-of-way line of Prosperity Farms Road thence north along the west right-of-way line to the municipal boundary line of the Town of Palm Beach Gardens then east along boundary line (South of Idlewild Court) to the centerline of the Intracoastal Waterway thence north along centerline of ICW to a point 100 feet south of the north boundary line of Section 32 Township 41 South Range 43 East, thence east along a line parallel to and 100 feet south of said north boundary line to a point of intersection with the east boundary line of Section 32 Township 41 South Range 43 East thence north along said boundary line to the point of intersection with the north boundary lines of Section 32 Township 41 South, Range 43 East and Section 33, Township 41 South, Range 43 East, thence east along north boundary of Section 33, Township 41 South, Range 43 east to the Atlantic Ocean.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for Assistance To Resolve Impending Territorial Dispute Between Florida Public Utilities Corporation and Palm Beach County Utilities Company DOCKET NO. 900700-GU ORDER NO. 24260 ISSUED: 3/20/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman J. TERRY DEASON BETTY EASLE: GERALD L. GUNTER MICHAEL McK. WILSON

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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On August 17, 1990, Florida Public Utilities Company (FPUC) filed a petition for resolution of a territorial dispute with Palm Beach County Utilities Corporation (PBCUC). Subsequent to the filing date, FPUC and PBCUC met with our Staff to discuss the issues and to determine whether the parties could resolve the dispute, and avoid going to hearing on the matter.

On October 18, 1990, we received a letter from FPUC stating that the parties had reached an agreement on the issues, and FPUC requested that they be allowed to withdraw their petition to resolve the territorial dispute. FPUC also informed us that "submission of a written territorial agreement, as requested by the Public Service Commission staff members, would be premature at this time and not in the best interests of our respective companies." FPUC and PBCUC decided that it would be more prudent to forego developing definitive territorial agreements until a decision or opinion had been rendered in En Banc hearing of Consolidated Gas Company of Florida. Inc. v. City Gas Company of Florida - No. 87-6108, being heard in the United States Court of Appeals for the Eleventh Circuit. Unbeknownst to FPUC, that case had already been

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the parties in the area. Also, we note that the Agreement provides that the "Agreement shall be submitted to and reviewed by the [Florida Public Service Commission] every five (5) years." Accordingly, we approve this Territorial Agreement between FPUC and PBCUC dated February 8, 1991.

Finally, we find that this docket should be closed if no protest or notice of appeal is timely filed.

It is, therefore,

ORDERED by the Florida Public Service Commission that the Territorial Agreement between Florida Public Utilities Company and Palm Beach County Utilities Corporation, dated February 8, 1991, is hereby approved. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for a formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission, this 20th day of MARCH , 1991.

STEVE TRIBBLE, Director Division of Records and Reporting

(SEAL) MAP/MAB:bmi FPUC1.MAB

by: Kay Pergan
Chief, Bureau of Records

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for Assistance
To Resolve Impending
Territorial Dispute Between
Florida Public Utilities
Corporation and Palm Beach
County Utilities Company

DOCKET NO. 900700-GU ORDER NO. 24260 ISSUED: 3/20/91

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On October 18, 1990, we received a letter from FPUC stating that the parties had reached an agreement on the issues, and FPUC requested that they be allowed to withdraw their petition to resolve the territorial dispute. FPUC also informed us that "submission of a written territorial agreement, as requested by the Public Service Commission staff members, would be premature at this time and not in the best interests of our respective companies." FPUC and PBCUC decided that it would be more prudent to forego developing definitive territorial agreements until a decision or opinion had been rendered in En Banc hearing of Consolidated Gas Company of Florida. Inc. v. City Gas Company of Florida - No. 87-6108, being heard in the United States Court of Appeals for the Eleventh Circuit. Unbeknownst to FPUC, that case had already been

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decided and had been sent to the United States Supreme Court on a writ of certiorari, where it is still pending at this time.

On November 21, 1990, we issued Order 23788, which granted FPUC's request to withdraw its petition. However, on this Commission's own motion, a hearing was scheduled so that we could review, and approve or disapprove, the territorial agreement in Palm Beach County between FPUC and PBCUC.

On February 11, 1991, FPUC and PBCUC filed a territorial agreement for our approval. It is this Agreement, dated February 8, 1991, which is the subject of this Order.

Both FPUC and PBCUC are natural gas distribution companies authorized to serve customers in Palm Beach County. Both companies have gas distribution systems adjacent to each other, along a reasonably defined boundary. This boundary serves to separate the service areas with the exception of one area, where the systems actually cross each other. This area is in the vicinity of Prosperity Farms Road and PGA Boulevard, and it is the sole area where this problem occurs.

With the exception of the above mentioned area where the companies' systems actually cross each other, FPUC and PBCUC have agreed to refrain from installing distribution mains or services which would cross and duplicate other facilities, or which would intrude into the other company's service area. Furthermore, the parties have agreed to abstain from soliciting potential or existing customers within the other company's service area, or from providing service when the customer requests service.

FPUC and PBCUC have also agreed that if a project or customer is located in such a place were it would straddle or be divided by the above mentioned boundary line, the company with the initial contract to provide service to the project will service the entire area of the project. The boundary line will be adjusted to include the entire area of the project within the service area of the company, subject to our review and approval.

We find that FPUC and PBCUC's Territorial Agreement defines the parties' natural gas service areas and service obligations in the Palm Beach County area. The Agreement does not provide for the transfer of any customers. Furthermore, it will alleviate any potential problems involving duplication of facilities. We find that this agreement shall resolve any territorial disputes between

the parties in the area. Also, we note that the Agreement provides that the "Agreement shall be submitted to and reviewed by the [Florida Public Service Commission] every five (5) years." Accordingly, we approve this Territorial Agreement between FPUC and PBCUC dated February 8, 1991.

Finally, we find that this docket should be closed if no protest or notice of appeal is timely filed.

It is, therefore,

ORDERED by the Florida Public Service Commission that the Territorial Agreement between Florida Public Utilities Company and Palm Beach County Utilities Corporation, dated February 8, 1991, is hereby approved. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for a formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission, this 20th day of MARCH , 1991.

STEVE TRIBBLE, Director Division of Records and Reporting

(SEAL) MAP/MAB:bmi FPUC1.MAB

by: Kay Plegar
Chief, Bureau of Records

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 at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on April 10, 1991

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 adversely 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 sewer 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.



