STONE & GERKEN, P.A.
ATTORNEYS AT LAW
4850 N. HIGHWAY 19A
MT. DORA, FLORIDA 32757
352/357-0330
FAX 352/357-2474



LEWIS W. STONE SCOTT A. GERKEN

March 27, 1996

MAILING ADDRESS: POST OFFICE DRAWER 2048 EUSTIS, FLORIDA 32727-2048

Ms. Blanca S. Bayo, Director Division of Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0870

960396-EU

Re: Sumter Electric Cooperative, Inc. and
City of Mount Dora
(Joint Petition for Approval of Territorial Agreement)

Dear Ms. Bayo:

Enclosed for filing please find an original and fifteen (15) copies of Joint Petition for Approval of Territorial Agreement with attached Agreement as Exhibit "1".

I would appreciate your assistance in returning the enclosed copy of this letter, reflecting receipt by the Public Service Commission. A pre-addressed stamped envelope is enclosed for your convenience.

If there is anything further that is needed, please do not hesitate to contact me. Thank you for your courtesies and assistance in this regard.

ery truly yours,

Lewis W. Stone

LWS:pa Enclosures

xc: Gary J. Cooney, Esquire Mr. James P. Duncan Mr. Ben Brickhouse

RECEIVED & FILED

FPSC BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

03689 MAR 29 %

FPSC-RECORDS/REPORTING

seco/letters/L-PSC-FILING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition for Approval of Territorial Agreement.
The City of Mount Dora, a Florida municipality operating an electric utility, and Sumter Electric Cooperative, Inc., a Florida Rural Electrical Cooperative,

DOCKET NO: 966396-EU

Submitted for Filing:

JOINT PETITION FOR APPROVAL OF TERRITORIAL AGREEMENT

The City of Mount Dora ("MOUNT DORA") and Sumter Electric Cooperative, Inc. ("SECO") jointly petition the Commission for approval of a territorial agreement dated November 27, 1995, ("the Agreement"), entered into by and between MOUNT DORA and SECO, and in support thereof, say:

- 1. MOUNT DORA is a Florida municipality operating an electric utility and SECO is a rural electric cooperative serving consumers in the State of Florida. MOUNT DORA's principal place of business is located in Mount Dora, Lake County, Florida, and SECO's principal place of business is located in Sumterville, Sumter County, Florida.
- 2. All notices and pleadings in this matter should be served upon the following:

FOR THE CITY OF MOUNT DORA

Ms. Bernice Brinson City Manager City of Mount Dora Post Office Box 176 Mount Dora, FL 32757 (352) 735-7126 Gary J. Cooney Attorney for the City of Mount Dora Post Office Box 1144 Tavares, FL 32778-1144 (352) 742-9367

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FPSC-RECORDS/REPORTING

FOR SUMTER ELECTRIC COOPERATIVE, INC.

Mr. James P. Duncan General Manager Sumter Electric Cooperative, Inc. Post Office Box 301 Sumterville, Florida 33585-0301 (352) 793-3801 Mr. Lewis W. Stone
Attorney for Sumter Electric
Cooperative, Inc.
Post Office Drawer 2048
Eustis, Florida 32727-2048
(352) 357-0330

- 3. On November 27, 1995, MOUNT DORA and SECO entered into an Agreement in an effort to more accurately define portions of the parties' respective service areas which are contiguous in many places. Such Agreement provides expressly that it is contingent upon the subsequent approval of the Florida Public Service Commission. Attached hereto as Exhibit 1 is a copy of the Agreement dated November 27, 1995, which embodies the tentative agreement reached between the parties. The parties have previously entered into territorial negotiations concerning this area in an effort to minimize the costs to their respective consumers by avoiding unnecessary duplication of generation, transmission, and distribution facilities.
- 4. The Agreement addressed in this petition likewise represents the continued effort by the parties to minimize costs to their respective consumers by avoiding unnecessary duplications of generation, transmission and distribution facilities. Toward that end, the parties have established the territorial boundary lines

described in the Agreement to delineate their respective retail territorial areas, subject to the approval of the Commission.

- 5. The Commission is authorized by Section 366.04(2)(d), Fla. Stat., to approve territorial agreements and resolve territorial disputes between rural electric cooperatives and other electric utilities under its jurisdiction. The Commission has promulgated Florida Administrative 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. MAPS AND DESCRIPTIONS. Attached as composite Exhibit A to the Agreement are maps and legal descriptions defining the territorial boundaries which the parties seek to have the Commission approve in this proceeding. Attached as Exhibit 2 to this Petition is an official Florida Department of Transportation General Highway County map depicting boundary lines established by the territorial agreement.
- 7. NUMBER AND CLASS OF CONSUMERS. Exhibit 3 to this Petition identifies SECO consumer accounts and class of service which ultimately are to be transferred to MOUNT DORA pursuant to the Agreement. No MOUNT DORA consumers are to be transferred to SECO pursuant to the Agreement.
 - 8. TERMS FOR IMPLEMENTATION. The Agreement provides for

transition in order to minimize any inconvenience to these consumers and further provides that SECO may continue, on a temporary basis, to serve consumers to be transferred until such time as MOUNT DORA has facilities in place to provide service.

- 9. ASSURANCE THAT CONSUMERS HAVE BEEN CONTACTED. Exhibit 4 to this Petition is a copy of a letter delivered to the billing address of every customer identified in Exhibit 3. Additionally, MOUNT DORA and SECO have caused field representatives to meet personally with all consumers identified in Exhibit 3 who requested discussion of this matter to explain rate differential.
- 10. <u>DEGREE OF ACCEPTANCE</u>. Of those consumers identified in Exhibit 3 indicating a preference, <u>0</u> were in favor of the transfer and <u>5</u> were opposed to the transfer, and <u>22</u> made no indication.
- 11. EFFECT ON SERVICE. 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 MOUNT DORA or SECO. The parties believe the provisions of the tentative Agreement will help avoid future uneconomic duplications of facilities and prevent disputes and uncertainties.
- 12. Both MOUNT DORA and SECO 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 and distribution facilities.

WHEREFORE, MOUNT DORA and SECO urge the Commission enter its order approving the Agreement attached hereto as Exhibit 1.

DATED this 26th day of Manch

Gary J. Cooney
Attorney for the City of
Mount Dora
Post Office Box 1144

Tavares, FL 32778-1144 (352) 742-9367 Lewis W. Stone

Attorney for Sumter Electric

Cooperative, Inc.

Post Office Drawer 2048 Eustis, Florida 32727-2048

(352) 357-0330

AGREEMENT

Section 0.1 THIS AGREEMENT, made and entered into
this _27 day of _November ______, 1995, by and between SUMTER
ELECTRIC COOPERATIVE, INC., an electric cooperative organized
and existing under the laws of the State of Florida (herein
called "SECO"), party of the first part, and the CITY OF
MOUNT DORA, a Municipal Government organized and existing under
the laws of the State of Florida (herein called "MOUNT DORA"),
party of the second part;

WITNESSETH:

Section 0.2 WHEREAS, SECO, by virtue of Florida

Statutes Chapter 425, and the Charter issued to it thereunder,
is authorized and empowered to furnish electricity and power to
its members, private individuals, corporations and others, as
defined by the laws of Florida, and pursuant to such authority,
presently furnishes electricity and power to members and
customers in areas of Lake and Sumter Counties in Florida, and
elsewhere; and

Section 0.3 WHEREAS, MOUNT DORA, by virtue of the laws of Florida, is authorized and empowered to furnish electricity and power to persons, firms and corporations in the County of Lake, State of Florida, and pursuant to such authority presently furnishes electricity and power to customers in areas of Lake County, Florida; and

Section 0.4 WHEREAS, the respective areas of service of the parties hereto are contiguous in many places in Lake County, with the result that in the future duplication of service

EXHIBIT

facilities may occur unless such duplication is precluded by a territorial agreement; and

Section 0.5 WHEREAS, the Florida Public Service

Commission has previously recognized that any such duplication
of service facilities may result in needless and wasteful
expenditures detrimental to the public interest; and

Section 0.6 WHEREAS, the Florida Public Service

Commission is empowered by Section 366.04, Florida Statutes, to
approve territorial agreements and resolve territorial disputes;
and

Section 0.7 WHEREAS, the parties hereto desire to avoid and eliminate the circumstances giving rise to the aforesaid duplications and to that end desire to operate within delineated retail service areas; and

Section 0.8 WHEREAS, in order to accomplish said area allocation as to future customers the parties have delineated boundary lines in portions of the aforementioned County, hereinafter referred to as "Boundary Lines", and said boundary lines define and delineate the retail service areas of the parties in portions of the aforementioned County;

Section 0.9 NOW THEREFORE, in fulfillment of the purposes and desires 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 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 the shaded areas on the county maps attached hereto as Exhibits 1 through 3, and which differentiate and divide SECO Territorial Area from MOUNT DORA Territorial

Section 1.2 SECO Territorial Areas - As used herein, the term "SECO Territorial Areas" shall mean the geographic areas shown on Exhibits 1 through 3, as lying outside the shaded areas designated MD.

Section 1.3 MOUNT DORA Territorial Areas - As used herein, the term "MOUNT DORA Territorial Areas" shall mean the geographic areas shown on Exhibits 1 through 3, as lying within the shaded areas designated MD.

Section 1.4 Distribution Lines - As used herein, the term "Distribution Lines" shall mean all lines for the flow of electric energy of either party having a rating up to but not including 69 kV.

Section 1.5 Transmission Lines - As used herein, the term "Transmission Lines" shall mean all lines for the flow of

electric energy of either party having a rate of 69 kV or over.

Section 1.6 New Customers - As used herein, the term
"New Customers" shall mean all retail electric Customers
applying for service, whether or not at a new or existing meter
location, to either MOUNT DORA or SECO after the effective
date of this Agreement, and located within the territorial area
of either party at the time such application is made.

Section 1.7 Existing Customers - As used herein, the term "Existing Customers" shall mean all retail electric Customers receiving service on or before the effective date of this Agreement from either party.

Section 1.8 Consulting Engineer - As used herein, the term "Consulting Engineer" shall mean a person or firm licensed by the State of Florida to engage in the profession of electric power engineering.

ARTICLE II

AREA DESIGNATIONS AND NEW CUSTOMERS

Section 2.1 Service Areas - The SECO Territorial

Areas, as herein defined, are hereby set aside to SECO as its retail service areas for the term hereof; and the MOUNT DORA

Territorial Areas, as herein defined, are hereby set aside to MOUNT DORA as its retail service areas for such period, and, except as otherwise specifically provided herein, neither party shall deliver any electric energy across any Territorial

Boundary Line for use at retail in the territorial area of the other.

Section 2.2 Point of Use - The point of use and not point of connect or metering shall be determinative as to who shall be the provider of electric service.

Section 2.3 New Customers - The parties shall each have the right and the responsibility to provide retail electric service to all New Customers within their respective territorial areas. Neither party shall hereafter serve or offer to serve a New Customer located in the territorial area of the other party except on an interim basis as provided in Section 2.4 below.

Section 2.4 Interim Service - Where a party entitled to serve a New Customer pursuant to Section 2.3 above believes that the extension of its facilities to such New Customer would be more appropriate or compatible with its operational requirements and plans at a future time, the party may, in its discretion, request the other party to provide service to the New Customer on an interim basis. Such request shall be made in writing and the other party shall promptly notify the requesting party if it will accept or decline the request. If such request is accepted, the party providing interim service shall be deemed to do so only on behalf of the requesting party, who shall remain entitled to serve the New Customer to the same extent as if it had provided service in the first instance. At such time as the

requesting party elects to begin providing service directly to the New Customer, after reasonable written notice to the other party, such other party shall cease providing interim service and, thereafter, service shall be furnished to the New Customer in accordance with Section 2.1 and 2.3 above.

Section 2.5 Transfer - Those Customers shown on Exhibits as SECO members located within MOUNT DORA Territory shall be transferred to MOUNT DORA within twelve (12) calendar months of approval of this Agreement by the Public Service Commission. Notification of such transfers shall be provided to the Public Service Commission for review in accordance with Article V hereof.

Those Customers presently SECO members which are to be located in MOUNT DORA Territory and are to be transferred to MOUNT DORA, pursuant to this Agreement, are designated "New Mount Dora".

Section 2.6 Compensation - All Existing Customers subject to transfer in Section 2.5, together with the service facilities related thereto shall be transferred in the following manner and for the following considerations:

a) At the time of the transfer of a customer and the associated service facilities, the Transferee shall pay the Transferor in cash within thirty (30) days of the transfer, the amount established in this section. The Transferee shall

compensate the Transferor based upon then Replacement Cost (New) less depreciation calculated on a thirty (30) year straight line basis.

- b) In addition to any compensation due in Section 2.6a, the Transferee shall pay the Transferor at the time of the transfer of each service transferred an amount equal to the product of Transferor's gross charge per kilowatt hour (which amount includes the customer charge) for service to such location at the time of transfer multiplied by the total kilowatt hours used for electric service at such location for either the immediately preceding twelve (12) month period in which the account was served at the service location, or a twelve (12) month period annualized in the event less than twelve (12) months were billed during the preceding year.
- c) In addition to compensation due in Section 2.6a above, the amount to be paid for street and security lights transferred shall be an amount equal to the total billings for such security lights for the immediately preceding twelve (12) month period in which the account was served at the service location, or a twelve (12) month period annualized in the event less than twelve (12) months are billed during the preceding year.
- d) With each transfer, the Transferor will make, execute and deliver to the Transferee a conveyance, deed or other instrument of transfer as is appropriate in order to convey all

rights, title and interest of the Transferor in any facilities, rights-of-way, easements, road permits, or other rights.

e) When customers are transferred, they shall not suffer hardship due to different deposit requirements. When possible, the deposit of a customer to be transferred will be transferred to the Transferee. When the existing deposit is less than normally required by the Transferee, the transferred deposit will be accepted as adequate. When the existing deposit is more than normally required, the excess will be refunded.

Section 2.7 Resolution by a Consulting Engineer - If the parties are unable to agree on the calculation of any payment for facilities pursuant to Section 2.6, or are unable to agree as to any technical requirement of the contract, including any provision requiring conformance to sound and economical engineering and operating practices, the parties shall agree upon and appoint a Consulting Engineer to resolve the dispute.

Section 2.8 Compensation of the Consulting Engineer The compensation to be paid to the Consulting Engineer for
services rendered in connection with this Agreement shall be
such fees and expenses as are usually applicable to services of
a similar nature. The fees shall be determined by the
Consulting Engineer in accordance with its usual practice and
shall be paid by the parties, each party paying fifty percent
(50%) of the cost of such services.

Section 2.9 Resolution by the Circuit Court - If the parties are unable to agree on the calculation of any payment for facilities pursuant to Section 2.6, and if SECO and MOUNT DORA are unable to agree upon the selection of a Consulting Engineer with ninety (90) days after receiving a written request by either party for such selection, either SECO or MOUNT DORA may, after ten (10) days written notice to the other party of its intent to do so, petition the Circuit Court of Lake County, Florida, to determine the payment required in Section 2.6. In the event one or both parties shall petition such Circuit Court for resolution of a dispute as provided in this Section, each party shall pay the costs of its own legal representation, expert fees and costs of depositions of parties or witnesses.

Section 2.10 Bulk Power Supply for Resale - Nothing herein shall be construed to prevent either party from providing bulk power supply to another utility for resale purposes wheresoever they may be located. Further, no other provision of this Agreement shall be construed as applying to bulk power supply for resale.

Section 2.11 RUS and CFC Approval - Any property transfer from SECO to MOUNT DORA is subject to approval by the United States of America Department of Agriculture, Rural Utilities Service and the Cooperative Financing Corporation.

Section 2.12 Involuntary Sale or Taking - The provisions of Section 2.6 may not be used or allowed into evidence except in the instance of a voluntary sale. The formula used in Section 2.6 contemplates the parties both desiring the transfer.

ARTICLE III

OPERATION AND MAINTENANCE

Section 3.1 Facilities to Remain - All generating plants, transmission lines, substations, distribution lines and related facilities now used by either party in conjunction with their respective electric utility systems, and which are used directly or indirectly and are useful in serving customers in their respective service areas, shall be allowed to remain where situated and shall not be subject to removal hereunder; PROVIDED, HOWEVER, that each party shall operate and maintain said lines and facilities in such a manner as to minimize any interference with the operations of the other party.

Section 3.2 Joint Use - The parties hereto realize that it may be necessary, under certain circumstances and in order to carry out this Agreement, to make arrangements for the joint use of their respective service facilities. In such event arrangement shall be made by separate instruments incorporating standard engineering practices and providing proper clearance with respect thereto.

Section 3.3 New Pacilities in Territory of Other Party Neither party shall construct Distribution Facilities in the
territory of the other party without the express written consent
of the other party. Express Distribution Feeders are exempt
from this provision; provided, however, that the party shall
construct, operate and maintain said Express Distribution
Feeders in a safe manner so as to minimize any interference with
the operation of the other party's facilities.

Section 3.4 Facilities to be Served - Nothing herein shall be construed to prevent or in any way inhibit the right and authority of MOUNT DORA or SECO to serve any of its own facilities if the party is obligated by law to provide the services which require the construction of the facilities and good engineering practice dictates that such facility be located in the other party's territory.

Either party shall notify the other party as soon as possible of any action which is specifically directed at that party and which may give rise to such an obligation.

Nothing herein shall be construed to prevent or in any way inhibit the right of either party to serve its own electric transmission or generation facilities wherever located.

ARTICLE IV

ANNEXATIONS

Section 4.1 Annexed Areas - In the event any portion of

the area within SECO's Territorial Area is subsequently annexed by and into the city limits of MOUNT DORA, MOUNT DORA may impose a franchise fee upon SECO Customers served within the city boundaries. Such fee shall be in an amount to be agreed upon by the parties. If the parties are unable to agree on the amount, the matter shall be submitted to three (3) arbitrators pursuant to the rules of the American Arbitration Association and Chapter 682, Florida Statutes. Each party shall select an arbitrator from the list of arbitrators provided by the American Arbitration Association, and the two (2) arbitrators selected shall agree on a third arbitrator. Each party shall bear its own costs and fees, and each party shall bear one-half (1/2) the cost of the arbitration. The results of the arbitration shall be binding. SECO in its sole discretion may allow MOUNT DORA, if MOUNT DORA so agrees to purchase SECO facilities and meters within the newly annexed area as cutlined in Section 2.6, supra. Compensation is not the only factor which may be considered in making the determination to purchase or sell such facilities.

ARTICLE V

PREREQUISITE APPROVAL

Section 5.1 Florida Public Service Commission - The provisions of this Agreement are subject to the regulatory authority of the Florida Public Service Commission, and

appropriate approval by that body of the provisions of this

Agreement shall be a prerequisite to the validity and

applicability hereof and neither party shall be bound hereunder

until that approval has been obtained.

Section 5.2 Liability in the Event of Disapproval - In the event approval pursuant to Section 5.1 is not obtained, neither party will have action against the other arising under this Agreement.

Section 5.3 Customer Transfer - No transfer of a customer pursuant to this agreement shall occur without notification of such transfer to the Public Service Commission.

Section 5.4 Modification - Any proposed modification to this Agreement shall be submitted to the Public Service Commission for approval.

ARTICLE VI

DURATION

Section 6.1 - This Agreement shall continue and remain in effect for a period of twenty (20) years from the date of the rendering of the Florida Public Service Commission's Order approving this Agreement, provided, however, that either party may terminate this Agreement at the end of the fifteenth (15th) year following such approval by providing written notice to the other party of such termination not later than the anniversary date of the thirteenth (13th) year following such approval.

ARTICLE VII

CONSTRUCTION OF AGREEMENT

Section 7.1 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 construed, to eliminate and avoid the needless and wasteful expenditures, duplication of facilities and potentially hazardous situations, which might otherwise result from unrestrained competition between the parties operating in overlapping service areas.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Negotiations - Whatever terms or conditions may have been discussed during the negotiations leading up to the execution of this Agreement, the only ones 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 and hereto attached and signed by both parties.

Section 8.2 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 hereto any right, remedy or claim under or by reason
of this Agreement or any provisions 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 hereto and their respective representatives, successors and assigns.

Section 8.3 Notices - Notices given hereunder shall be deemed to have been given to SECO if mailed by Certified Mail, postage prepaid, to: GENERAL MANAGER, SUMTER BLECTRIC COOPERATIVE, INC., P.O. Box 301, Sumterville, FL 33585-0301, and to MOUNT DORA if mailed by Certified Mail, postage prepaid, to: CITY MANAGER, CITY OF MOUNT DORA, 510 N. Baker Street, P.O. Box 176, Mount Dora, Florida 32757. Such address to which such notice shall be mailed may be, at any time, changed by designating such new address and giving notice thereof in writing in the manner as herein provided.

Section 8.4 Severability - The invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceability provision were omitted.

Section 8.5 Cost and Attorney Fees - In the event legal action is taken to enforce the terms of this Agreement, except under Section 2.9, hereof, the prevailing party shall be entitled to recover all costs incurred, including reasonable attorney fees.

IN WITNESS WHEREOF, this Agreement has been caused to be executed in triplicate by SECO in its name by its President, and its Corporate Seal hereto affixed by the Secretary of SECO, and by MOUNT DORA in its name by its Mayor-Commissioner of the City Commission, and its Seal hereto affixed and attested by its Clerk, on the day and year first above written; and one of said triplicate copies has been delivered to each of the parties hereto.

ATTEST:	SUMTER ELECTRIC COOPERATIVE, INC.
W. L. "Bud" Hodges As its Secretary	Elmer E. Webb As its President
(SEAL)	
ATTEST:	CITY OF MOUNT DORA
By Bunga Bunson Bernice Brinson City Clerk	Paulette Alexander Mayor-Commissioner
(SEAL)	
APPROVED AS TO FORM AND LEGALITY:	f. A
Legal Counsel to the City of Mount Dora	Legal Counsel to Sumter Electric Cooperative, Inc.
APPROVED: Order No. Florida Commissi	Public Service Date

seco/agrmts/AG-MOUNTDORA

LEGAL DESCRIPTION

FOR

SUMTER ELECTRIC COOPERATIVE, INC. AND CITY OF MOUNT DORA

TERRITORIAL AGREEMENT

Begin at the intersection of the Westerly right-of-way line of U.S. Highway No. 441 and the South line of Section 33, Township 19 South, Range 27 East, run thence Westerly along the South line of said Section 33, and the South line of Section 32 to the SW corner of said Section 32, thence Northwesterly to, and across Lake Dora to the NW corner of Section 36, Township 19 South, Range 26 East.

EXHIBIT

"A" (composite)

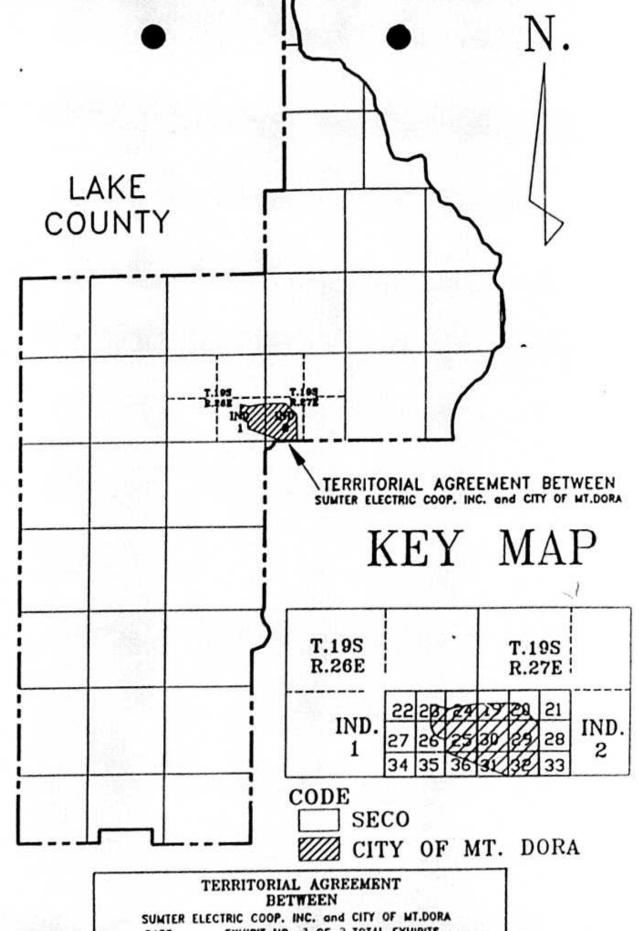
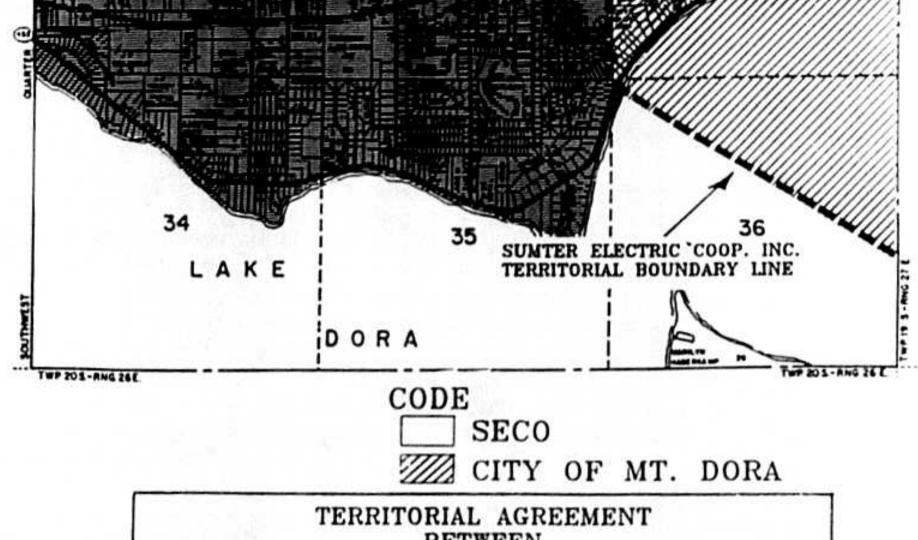
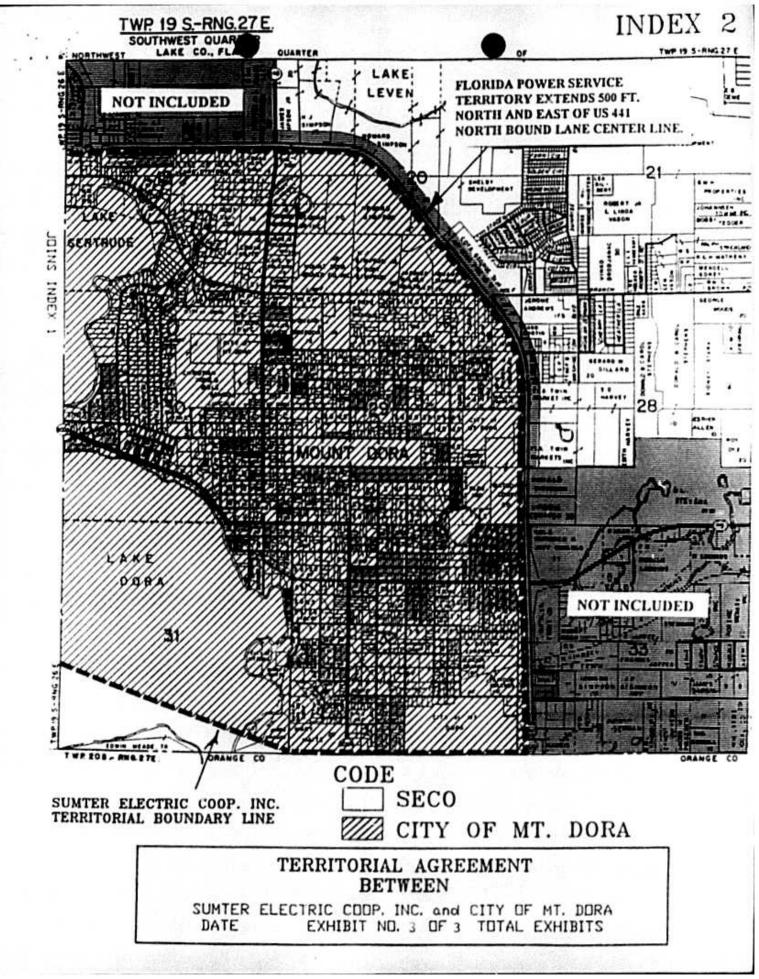


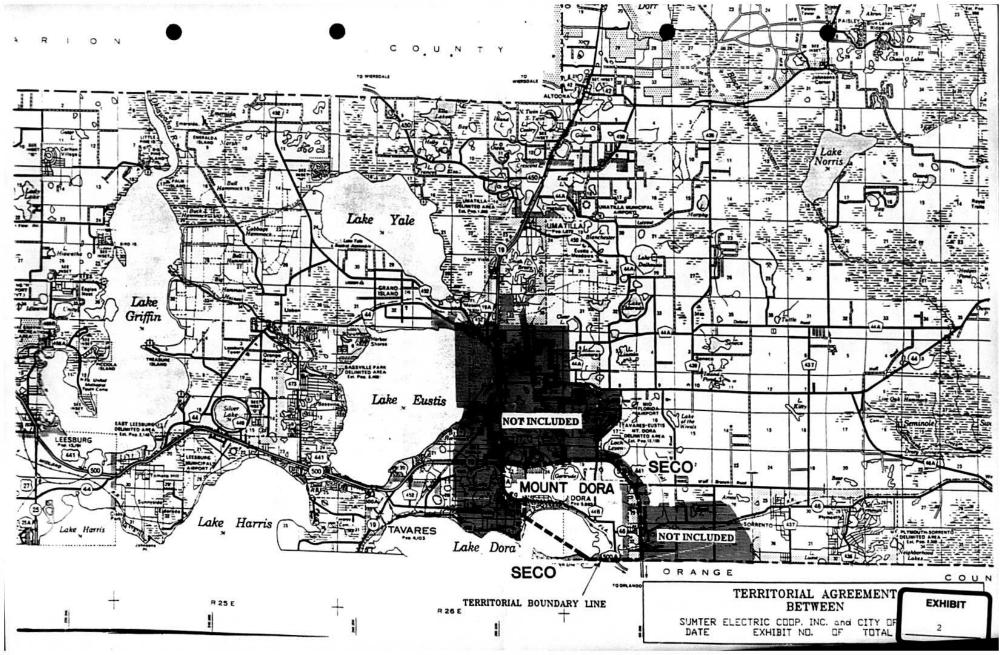
EXHIBIT NO. 1 OF 3 TOTAL EXHIBITS DATE



BETWEEN

SUMTER ELECTRIC COOP. INC. and CITY OF MT. DORA DATE EXHIBIT NO. 2 OF 3 TOTAL EXHIBITS







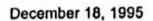
CY ACCOUNTS MEMBERS NAME

ADDRESS

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17	1769450010	BENNETT			*BBWW 144 125000000000000000000000000000000000000	MT DORA FL	20110 UE HWY 441	32757
17	1769470010	BOLES	KATHERIN		P 0 BOX 113	HOUNT DORA FL		32757
17	1769500010	BURNS	MITTIE		1574 LIMIT AVE	MOUNT DOWN PL		32757
17	1769510010	BARBARA'S RE	ST		BOS E STH AVE			32757
17	1769520010	HCGEE	JAHES		P O BOX 1692	MT DORA PL	LEESBURG FL	34749
17	1769527510	UNITED TELEP	HONE		(LIMIT AVE MT DORA)	P O BOX 490048		32757
17	1769540010	LARRY	ALBERT		1999 H MARDELL ST	HT DORA PL		32757
17	1769545010	HARRIS	DAVID	L	2020 N UNSER ST	HT DORA FL		32757
17	1769560010	NIX	BOBBY	J	1406 LIMIT AVE	MOUNT DORA PL		22757
17	1769580010	POSTER	LUCY		1940 H UNSER ST	HOUNT DORA FL		32757
	1769600010		BENJAKIN	•	3050 BROWN AVENUE	HOUNT DORA PL	1	32757
	1769605010		ROSE	L	ROSE LEE BROWN	1006 UMBER STREET	HT DORA FL	32757
WE:	1769610010		ANGELO		ANGELO BERNARD WHITE	1868 UNSER ST	MT.DORA FL	32757
0.576	1769630010		JERRY	L	JERRY LEE RIVERS	1031 UNSER ST	HT DORA PL	32757
100		CONNINGHAM	TAFFERLO		1899 H UNSER ST	HOUSET DORA FL		32757
	1769640010		ULA	c	P O BOX 1284	HT DORA FL		32757
	1769645010		CAROL	Y	PO BOX 51	HOURT DORA FL		32757
	1769650010		WILLIE	DER	PO BOX 424	HOUNT DORA FL		37.37.5
- 13	1769655010		MILLIE	3	PO BOX 424	HOUNT DORA FL		32757
- 5	7 1769665010		METAIM		2007 N UNSER ST	MT DORA FL		32757
- 5			POCITIVE	-	2099 N UNSER ST	HOUST DORA FL		32757
- 5	7 1769670010		FRANK	н	2106 HOLLYWOOD AVE	EUSTIS FL		32726
-	7 1769675010		HARY		1306 LIMIT AVE	HT DORA FL		32757
_	7 176967501			â	(LEON SHARP)	1302 LIMIT AVE	HOUNT DORA FL	32757
- 2	7 176968001		HARY	- 100	1302 LINIT AVE	HOUNT DORA FL		32757
- 2	7 176968501		HARY	a	1206 LIMIT AVE	HOUNT DORA FL		32757
	7 176972501		RICILE			1735 JEFFERSON DR	HT DORA FL	32757
	. 178934861	NOTUMINGAM 0	EARMEST		JOYCE HILSAP	**** ***********		

TOTAL: 27

EXHIBIT





Dear Member:

I am writing to you, a member of Sumter Electric Cooperative, Inc., to inform you of steps that are currently underway to eliminate 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 is more expensive to the consumer.

Sumler Electric Cooperative, Inc. and the City of Mount Dora have been negotiating for more than a year to enter into a new territorial agreement which would help both utilities serve existing and future consumers in the economical manner. This will help prevent future duplications of electrical facilities.

Sumter Electric Cooperative, Inc.'s Board of Trustees and the City of Mount Dora's management have approved a form of agreement to accomplish these worthy goals. The approvals of the Rural Utilities Service and the Florida Public Service Commission are required before the Agreement can be put into effect.

This Agreement, if approved, will affect you in that you will, in due course, be transferred to the City of Mount Dora system. Currently, the City of Mount Dora rates for your class of service per KWH are slightly less than Sumter Electric's charge. All reasonable steps will be taken to minimize any inconvenience to you. You will be contacted again prior to the actual transfer.

We solicit your opinion of the proposed transfer and have enclosed a response sheet for your completion.

Should you have questions or comments regarding this, please call Ted Williams, your Sumter Electric Cooperative Division Manager, at 357-5600, extension 5000. Representatives of Sumter Electric Cooperative, Inc. and the City of Mount Dora will be pleased to meet with you at your convenience.

Sincerely,

James P. Duncan General Manager