

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

June 13, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF LEGAL SERVICES (ERSTLING) *RVE*
DIVISION OF ELECTRIC & GAS (TEW) *KS* *Red* *JK* *JDJ*

RE: DOCKET NO. 960396-EU - JOINT PETITION FOR APPROVAL OF
TERRITORIAL AGREEMENT BETWEEN SUMTER ELECTRIC
COOPERATIVE, INC. AND CITY OF MOUNT DORA

AGENDA: 06/25/1996 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\LEG\WP\960396EU.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the Joint Petition for Approval of a Territorial Agreement between Sumter Electric Cooperative, Inc. and the City of Mount Dora?

RECOMMENDATION: Yes, the Territorial Agreement between Sumter Electric Cooperative, Inc. and the City of Mount Dora is in the public interest and should be approved. The utilities have agreed to notify the Commission's Division of Electric and Gas of all interim service that lasts or is expected to last for a period greater than one year. Sumter Electric Cooperative, Inc. also has agreed to notify the Commission in the event the United States Department of Agriculture, the Rural Utilities Service, or the Cooperative Financing Corporation does not approve any property transfer pursuant to the proposed territorial agreement.

STAFF ANALYSIS: On March 29, 1996, Sumter Electric Cooperative, Inc. (Sumter) and the City of Mount Dora (Mt. Dora) filed a Joint Petition for Approval of a Territorial Agreement. A copy of the territorial agreement between Sumter and Mt. Dora is attached (Attachment A). The parties have not previously entered into a territorial agreement with each other relative to Lake County. The purpose of Sumter and Mt. Dora's territorial agreement is to

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delineate each utility's respective service area and to simultaneously avoid the unnecessary and uneconomic duplication of electric facilities by these utilities in Lake County.

In order to accomplish this goal, Sumter and Mt. Dora's territorial agreement provides for a transfer of customers between the two utilities. Exhibit 3 to the agreement identifies 27 customer accounts (23 residential and 4 commercial) of Sumter which are to be transferred to Mt. Dora. Section 2.5 of the agreement provides that these customers will be transferred to Mt. Dora within one year of Commission approval of the agreement. Until such time, Sumter may continue to serve its respective existing customers listed on Exhibit 3 to the agreement.

Sumter provided a copy of the form letter sent to its existing customers identified on Exhibit 3 who will be affected by this agreement. The letter informed the customers of their impending transfer upon Commission approval of Sumter and Mt. Dora's territorial agreement. Field representatives of Mt. Dora and Sumter met personally with all consumers identified in Exhibit 3 who requested discussion of this matter to explain rate differential. Of those 27 customers to be transferred, five were opposed to the transfer, and 22 made no indication.

To ensure that transferred customers suffer no hardship due to the different deposit requirements of each party, Section 2.6 provides for Sumter to transfer the customer deposits of those customers to be transferred to Mt. Dora. When the existing deposit is less than normally required by Mt. Dora, Mt. Dora will accept the existing deposit as adequate. When the existing deposit is more than normally required by Mt. Dora, Mt. Dora will refund the excess to the customer. The capital credits associated with the customers transferring from Sumter to Mt. Dora will be returned on the normal return cycle as if the transferring customers had remained with the cooperative.

Section 2.4 of the territorial agreement contains the provision for interim service. Here the parties agree that neither of them will knowingly serve or attempt to serve any new customer whose end-use facilities are located within the territorial area of the other party. However, either party may request the other party to provide service to the new customer on an interim basis if the party entitled to serve the new customer believes the extension of its facilities to the customer would be more appropriate or compatible with its operational requirements and plans at a future time. In such instances, a party may submit a written request to the other party to temporarily provide service to the customer. The utilities agree to notify the Commission's Division of Electric

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and Gas of all interim service arrangements that last or are expected to last for a period greater than one year.

Section 2.6 of the agreement outlines the method of compensation for transferred facilities and for lost revenues associated with the transferred customers. Each utility confirmed that upon completion of the one-year transfer period, all electric facilities used to serve its retail customers will be located wholly within its respective service area as defined in the territorial agreement.

Section 2.11 of the agreement requires that approval from the United States Department of Agriculture, the Rural Utilities Service, and the Cooperative Financing Corporation be obtained prior to the transfer of any property from Sumter to Mt. Dora. In the event approval is not obtained from any of these entities, Sumter agrees to notify the Commission.

The territorial agreement between Sumter and Mt. Dora will become effective on the date of the Commission order approving it. According to Section 6.1, it shall then remain in effect for a period of twenty years. Either party, however, may terminate this agreement at the end of the fifteenth year by providing written notice to the other party of such termination not later than the anniversary date of the thirteenth year.

Staff recommends that the territorial agreement between Sumter Electric Cooperative, Inc. and the City of Mount Dora be approved because it is in the public interest and is consistent with the Commission's goal to eliminate all existing and potential uneconomic duplication of electrical facilities in the State of Florida.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed if no timely protests are filed within 21 days of the issuance of this Order.

STAFF ANALYSIS: Pursuant to Rule 25-22.029(4), Florida Administrative Code, any person whose substantial interests are affected by the proposed agency action shall have 21 days after the issuance of the Order to file a protest. If no timely protest is filed, the docket should be closed.

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

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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

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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 Area.

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

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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

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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

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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

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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

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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.

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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 CPC 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.

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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.

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Section 3.3 New Facilities 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

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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 outlined 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

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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.

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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

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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 ELECTRIC 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.

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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:

By W. L. "Bud" Hodges
W. L. "Bud" Hodges
As its Secretary

(SEAL)

SUMTER ELECTRIC COOPERATIVE, INC.

By Elmer E. Webb
Elmer E. Webb
As its President

ATTEST:

By Bernice Brinson
Bernice Brinson
City Clerk

(SEAL)

CITY OF MOUNT DORA

By Paulette Alexander
Paulette Alexander
Mayor-Commissioner

APPROVED AS TO FORM AND
LEGALITY:

By [Signature]
Legal Counsel to the City
of Mount Dora

By [Signature]
Legal Counsel to Sumter
Electric Cooperative, Inc.

APPROVED: Order No. _____

Florida Public Service
Commission

Date _____

secr/sgmt/a/AC-MOUNTDORA

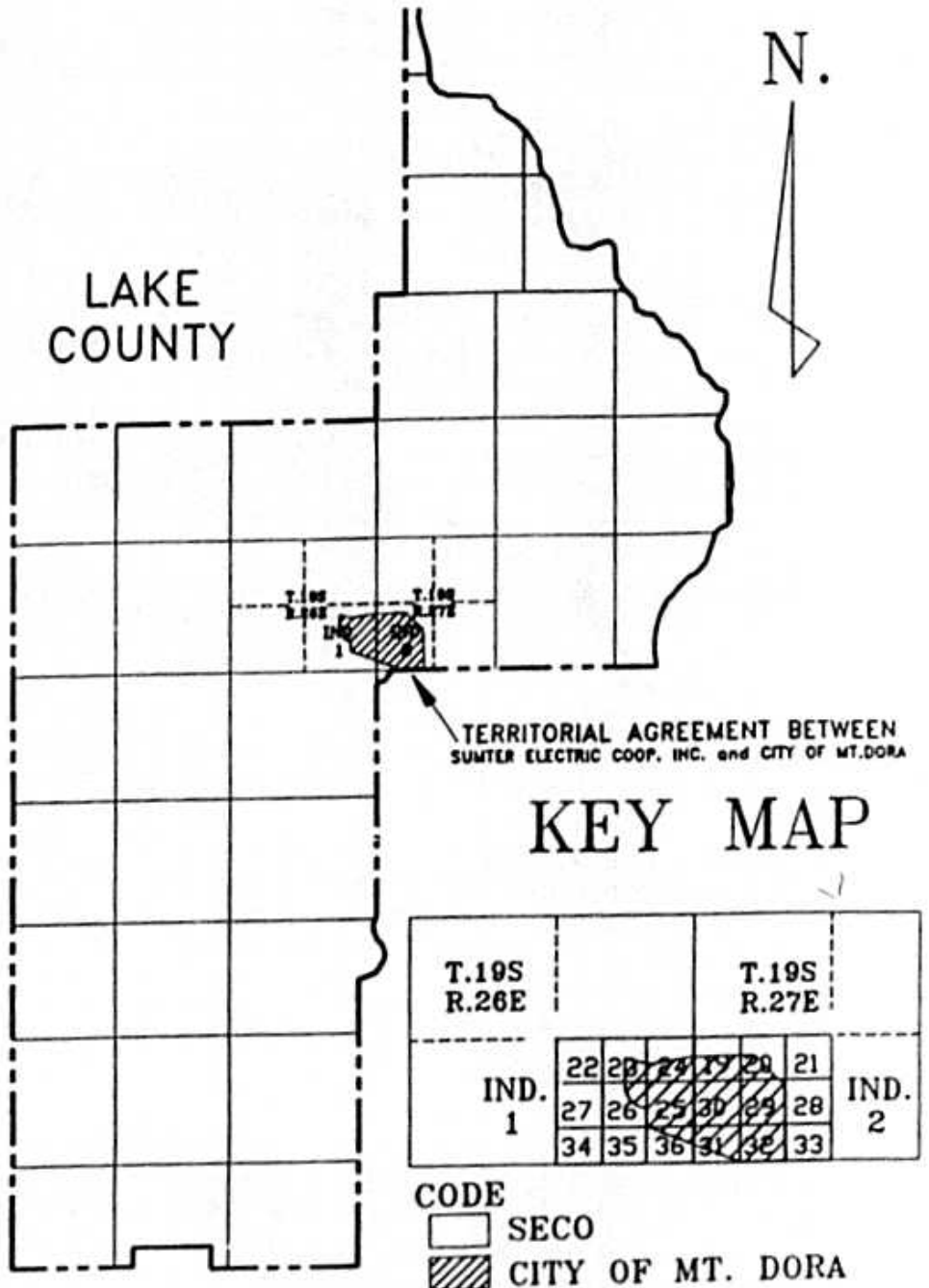
DOCKET NO. 960396-EU
DATE: JUNE 13, 1996

ATTACHMENT A
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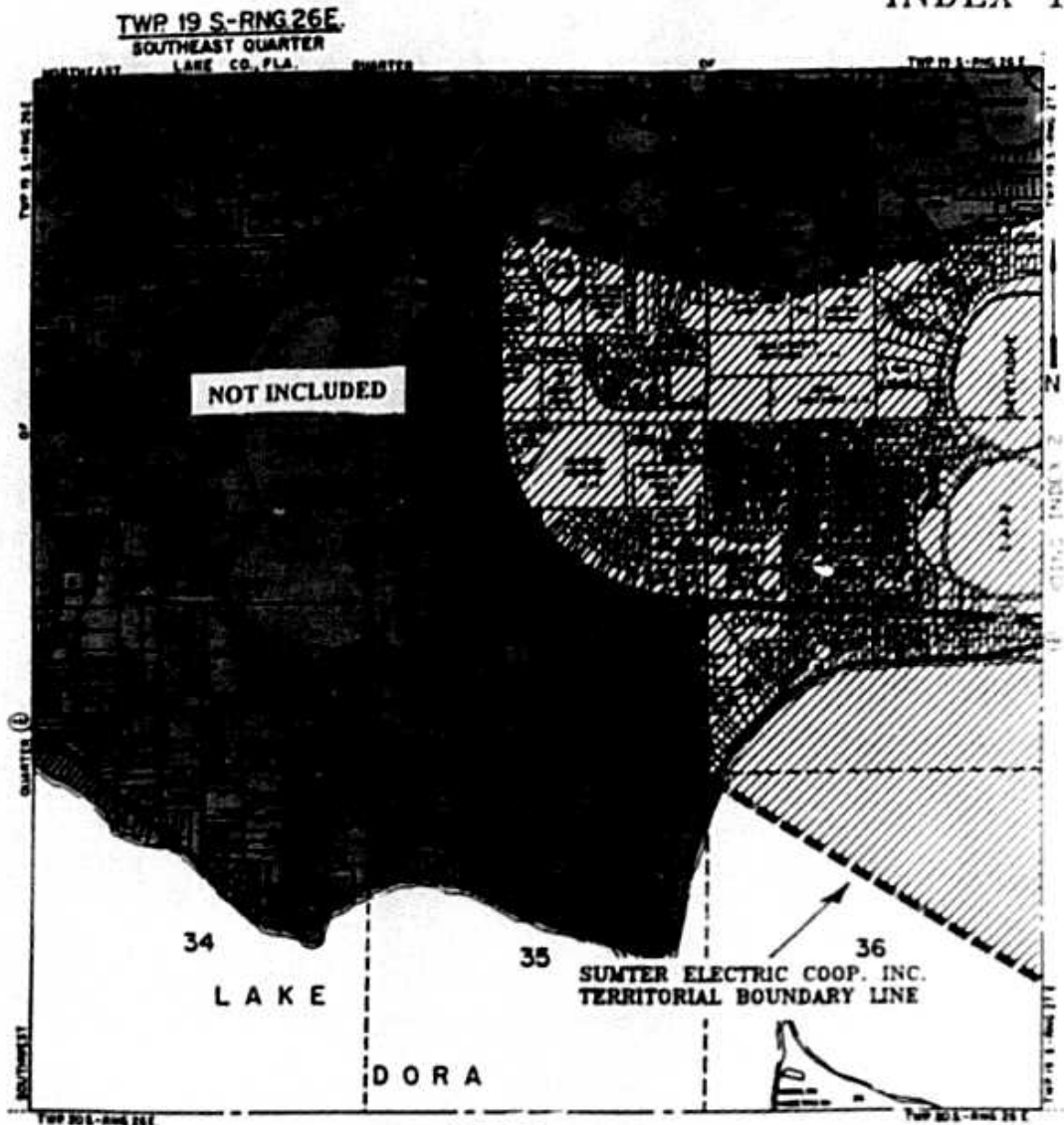
LEGAL DESCRIPTION
FOR
SUMTER ELECTRIC COOPERATIVE, INC.
AND
CITY OF MOUNT DORA
TERRITORIAL AGREEMENT

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)



**TERRITORIAL AGREEMENT
 BETWEEN**
 SUMTER ELECTRIC COOP. INC. and CITY OF MT. DORA
 DATE EXHIBIT NO. 1 OF 3 TOTAL EXHIBITS



CODE

□ SECO

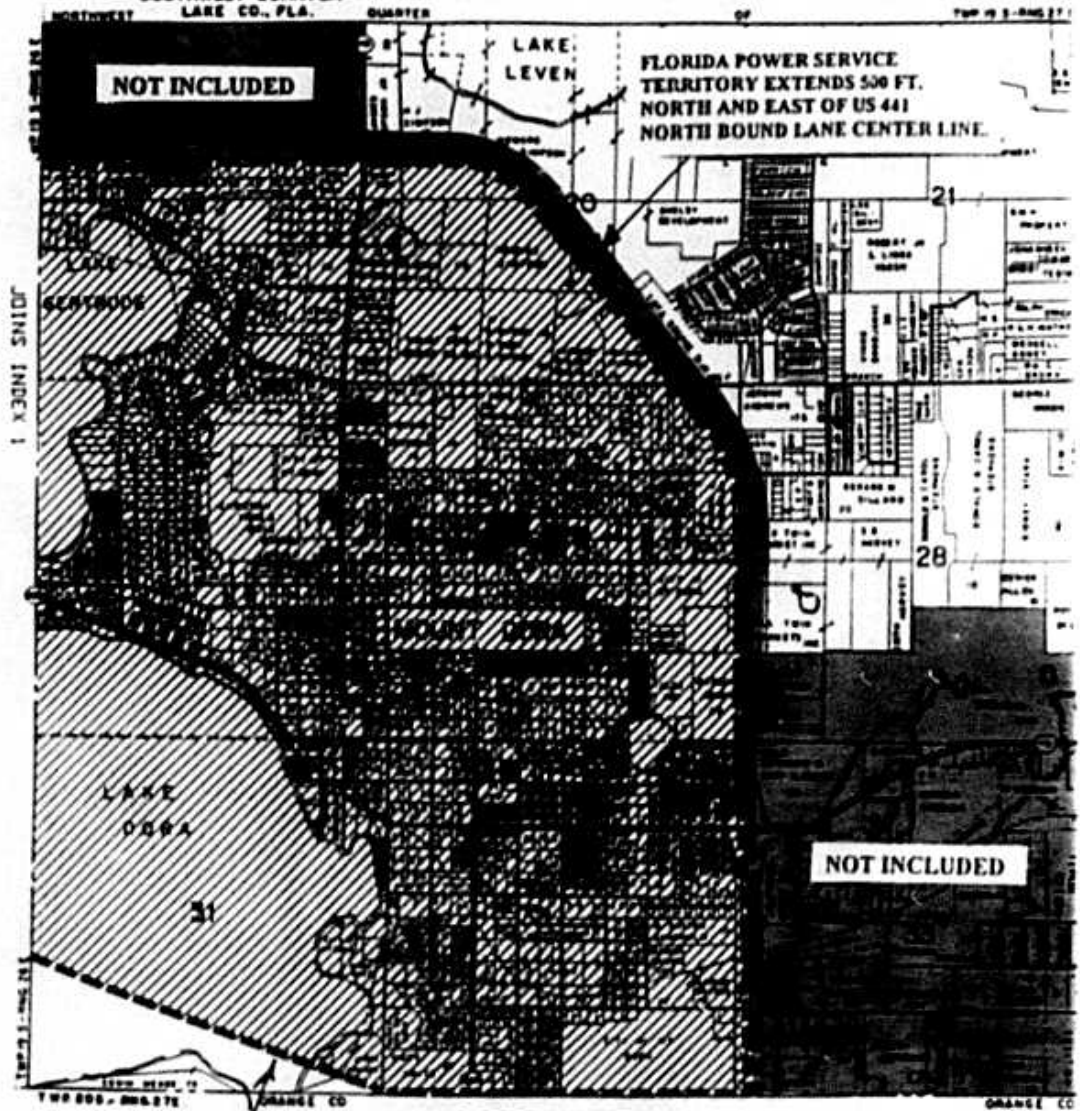
▨ CITY OF MT. DORA

TERRITORIAL AGREEMENT
BETWEEN

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

TWP 19 S-RNG 27 E
SOUTHWEST QUARTER
LAKE CO., FLA.

INDEX 2



SUMTER ELECTRIC COOP. INC.
TERRITORIAL BOUNDARY LINE

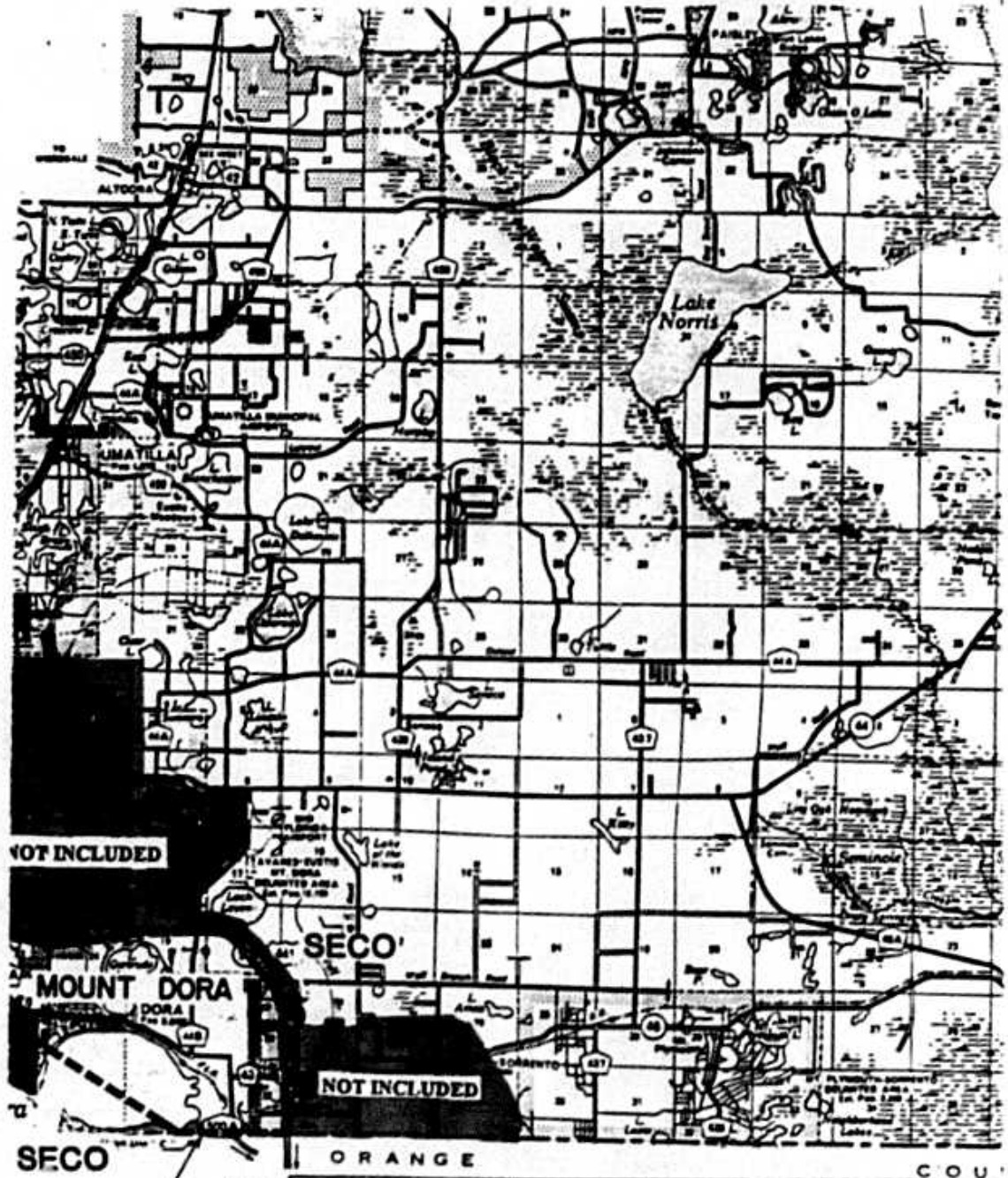
CODE

□ SECO

▨ CITY OF MT. DORA

**TERRITORIAL AGREEMENT
BETWEEN**

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

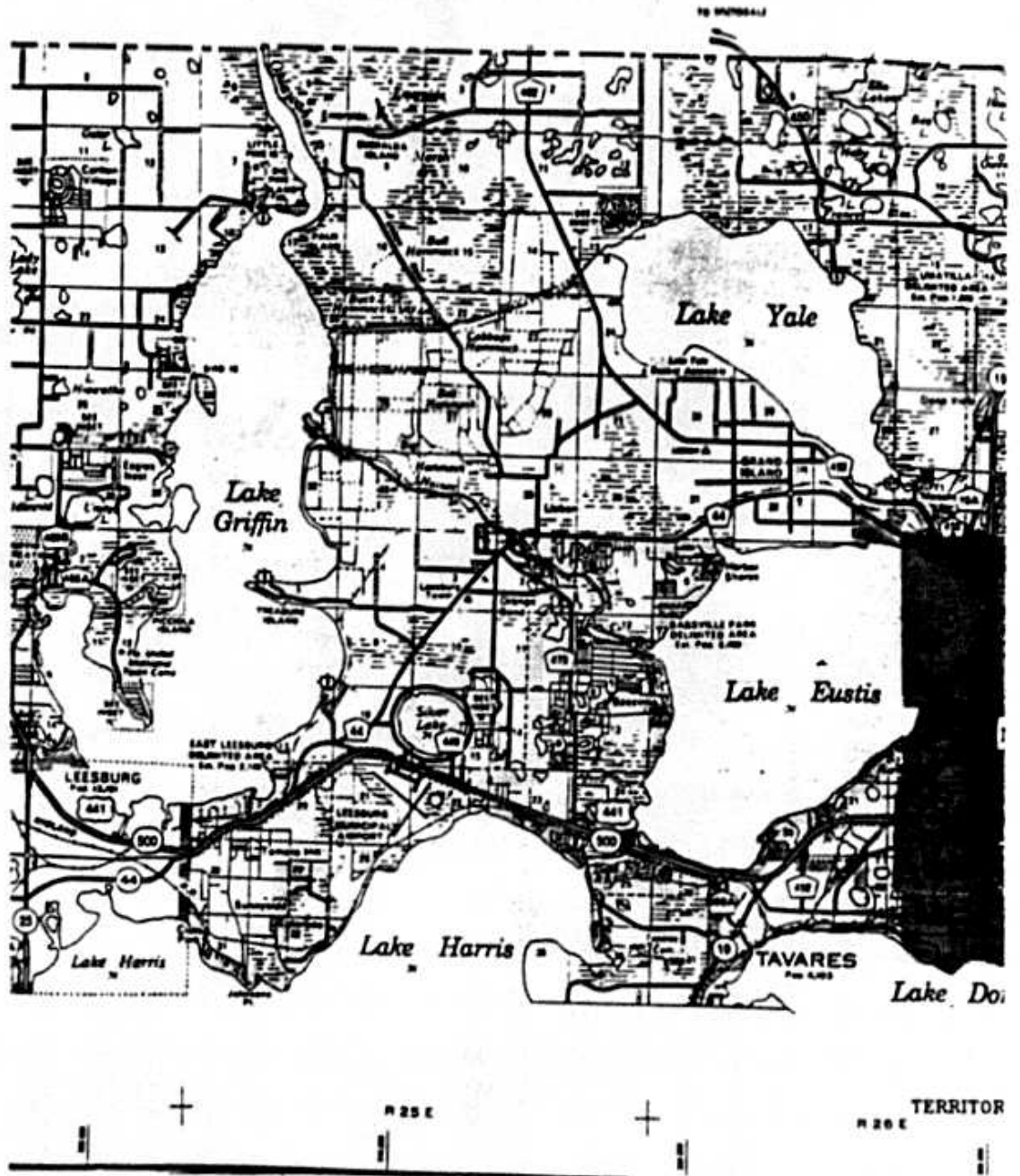


TERRITORIAL BOUNDARY LINE

TERRITORIAL AGREEMENT BETWEEN		EXHIBIT 2
DATE	EXHIBIT NO. OF TOTAL	

R I O N

C O U N T Y



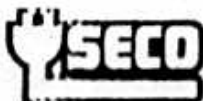
ACCOUNTS TO CITY OF MT DORA
 RPT. IN. ACCTS TO CITY MTDORA

12/12/95
 PG. 1

CT ACCOUNTS	NUMBERS	NAME	ADDRESS			
17	1749450010	BERNETT	ROBERT A	1 ROBERT W BERNETT	312 HIGH ST	STAFFORD VA 22554
17	1749470010	BOLLE	KATHERINE	P O BOX 113	MT DORA FL	32757
17	1749500010	BURNS	WILLIE	1574 LIMIT AVE	HOUMT DORA FL	32757
17	1749510010	BARBARA'S REST		865 E 8TH AVE	HOUMT DORA FL	32757
17	1749520010	MOORE	JAMES	P O BOX 1493	MT DORA FL	32757
17	1749527010	UNITED TELEPHONE		(LIMIT AVE MT DORA)	P O BOX 490044	LEESBURG FL 32757
17	1749540010	LAARY	ALBERT B	1999 W MADGELL ST	MT DORA FL	32757
17	1749549010	HARRIS	DAVID L	3620 W UNDER ST	MT DORA FL	32757
17	1749550010	HIX	BOBBY J	1496 LIMIT AVE	HOUMT DORA FL	32757
17	1749560010	PORTER	LUCY	1646 W UNDER ST	HOUMT DORA FL	32757
17	1749600010	SIDOW	BENJAMIN F	3990 BROWN AVENUE	HOUMT DORA FL	32757
17	1749605010	BROWN	BOB L	BOB LEE BROWN	1666 UNDER STREET	MT DORA FL 32757
17	1749610010	WHITE	ANGELO	ANGELO BERNARD WHITE	1666 UNDER ST	MT DORA FL 32757
17	1749630010	RIVERS	JERRY L	JERRY LEE RIVERS	1931 UNDER ST	MT DORA FL 32757
17	1749635010	CUMMINGS	TAPPERLOW	1999 W UNDER ST	HOUMT DORA FL	32757
17	1749640010	WHITE	ELA	P O BOX 1364	MT DORA FL	32757
17	1749645010	BARNES	CAROL T	PO BOX 51	HOUMT DORA FL	32757
17	1749650010	WHITE	WILLIE	BOX PO BOX 424	HOUMT DORA FL	32757
17	1749655010	WHITE	WILLIE J	PO BOX 424	HOUMT DORA FL	32757
17	1749660010	HARRIS	MELVIN E	3087 W UNDER ST	MT DORA FL	32757
17	1749670010	LARRY	LUCILLE	2099 W UNDER ST	HOUMT DORA FL	32757
17	1749675010	HARRIS	FRANK H	2104 HOLLYWOOD AVE	HOUMT DORA FL	32757
17	1749675013	MCCOY	MARY B	1304 LIMIT AVE	MT DORA FL	32757
17	1749680010	HARRIS	MARY G	(LAW SHARP)	1302 LIMIT AVE	HOUMT DORA FL 32757
17	1749685010	HARRIS	MARY G	1302 LIMIT AVE	HOUMT DORA FL	32757
17	1749720010	MOORE	REICHL	1304 LIMIT AVE	HOUMT DORA FL	32757
18	1749800010	WASHINGTON	BARNEY	1 JOYCE MILBAP	1735 JEFFERSON DR	MT DORA FL 32757

TOTAL: 37

EXHIBIT
 3



December 18, 1995

Sumter Electric Cooperative, Inc.

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.

Sumter 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.

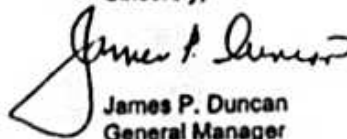
Sumter Electric Cooperative, Inc.'s Board of Trustees and the City of Mount Dora's management have approved a form of agreement to accomplish these worthy goals. The approvals of the Rural Utilities Service and the Florida Public Service Commission are required before the Agreement can be put into effect.

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

251 South County Rd
P.O. Box 901
Sumter, FL 33585-0901
(904) 237-1107

15726 US Hwy 441
Fruita, FL 32726-8561
(904) 252-2927

850
Grove
(904)

EXHIBIT

4

41 South
FL 34455-6030
1944

4872 S.W. 80th Ave
Ocala, FL 34474-4314
(904) 237-4107

3335 So. US Hwy 41
Dunedin, FL 34622
(904) 499-4390