

LAW OFFICES
CHANDLER, LANG & HASWELL, P.A.

POST OFFICE BOX 23879
GAINESVILLE, FLORIDA 32602-3879

JAMES F. LANG
JOHN H. HASWELL
C. WHARTON COLE

36 P.
THE COPY
TELEPHONE 352/378-5226
TELECOPIER 352/372-8058
211 N.E. FIRST STREET
GAINESVILLE, FL 32601-6367

WILLIAM H. CHANDLER
1920-1992

April 23, 1997

Bianca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2549 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

770492 - EC

RE: Territorial Agreement between Clay Electric Cooperative, Inc.
and Suwannee Valley Electric Cooperative, Inc.

Dear Ms. Bayo:

Enclosed herewith please find the original and fifteen (15) copies of a Joint Petition for Approval of Territorial Agreement between Clay Electric Cooperative Inc. and Suwannee Valley Electric Cooperative, Inc., together with Exhibit 1, the tentative agreement itself, and Exhibit 2, an example of the Notice to Customers.

Very truly yours,


John H. Haswell

JHH/lez

Enclosures

cc: Bill Phillips, General Manager
Howard Mott, District Manager
Dean Lewis, Esquire

C:\MP6\CLAY\SUWANNEE\BAYO.LTR

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DOCUMENT NUMBER-DATE

04145 APR 24 5

FPSC-RECORDS/REPORTING

ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition for Approval)
of Territorial Agreement between)
Clay Electric Cooperative, Inc.,)
and Suwannee Valley Electric)
Cooperative Inc., in Suwannee and)
Columbia Counties)

DOCKET NO.: 970492-

Submitted for Filing: April 23, 1997

**JOINT PETITION FOR
APPROVAL OF TERRITORIAL AGREEMENT**

Clay Electric Cooperative, Inc., ("Clay") and Suwannee Valley Electric Cooperative, Inc. ("Suwannee") jointly petition the Commission for approval of a territorial agreement dated February 20, 1997, ("the Agreement"), entered into by and between Clay and Suwannee, and in support thereof, say:

1. Clay and Suwannee are electric utilities whose retail service territories are subject to the regulation of the Commission. Suwannee's principal place of business is located in Live Oak, Florida, and Clay's principal place of business is located in Keystone Heights, Florida.

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

*FOR SUWANNEE VALLEY ELECTRIC
COOPERATIVE, INC.*

*FOR CLAY ELECTRIC COOPERATIVE,
INC.*

C. Dean Lewis, Esquire
Post Office Box 8
Live Oak, Florida 32064
(904) 362-2098

John H. Haswell, Esquire
Chandler, Lang & Haswell, P.A.
211 Northeast First Street
Gainesville, Florida 32602
(352) 376-5226

DOCUMENT NUMBER-DATE
04145 APR 24 5
FPSC-RECORDS/REPORTING

3. On February 20, 1997, Clay and Suwannee entered into an Agreement in an effort to more accurately define the parties' respective retail service territories which are contiguous in many places. The Agreement provides expressly that it is contingent upon the prior approval of the Florida Public Service Commission.

4. The Agreement represents an effort by the parties to minimize the costs to their respective customers by avoiding unnecessary duplication of generation, transmission or distribution facilities. Toward that end, the parties, after lengthy deliberation and consideration of the best interests of their electric consumers, have established the territorial boundary line described in the Agreement to delineate their respective retail service territories, subject to the approval of the Commission.

5. The Commission is authorized by Section 366.04(2)(d), Fla. Stat., to approve and enforce territorial agreements by and between electric utilities. The Commission has promulgated Fla. Admin. Code Rule 25-6.0440 to implement its authority, and has approved of such agreements when it finds that they are in the public interest.

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

Effect on Existing Customers

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

8. Exhibit "B" of the Agreement identifies 15 customer accounts and 2 street lights of Suwannee which ultimately are to be transferred to Clay pursuant to the Agreement. There are to be no transfers of customers from Clay to Suwannee. Section 2.7 of the Agreement provides that all transfers shall be completed within five (5) years from the effective date of the Agreement.

9. Attached hereto as Exhibit 2 is a copy of the letter from Suwannee to its customers who will be affected by Commission approval of the Agreement.

Effect on Service


10. 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 Clay or Suwannee. The parties believe the provisions of the Agreement will help avoid future uneconomic duplications of facilities and prevent disputes and uncertainties.

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

WHEREFORE, Clay and Suwannee respectfully request that the Commission enter

an order approving the Agreement attached hereto as Exhibit No. 1.

DATED this 28th day of March, 1997.



C. Dean Lewis, Esquire
Post Office Box 8
Live Oak, Florida 32064
(904) 362-2098
Attorney for Suwannee Valley Electric
Cooperative, Inc.
Florida Bar No.:



John H. Haswell, Esquire
Chandler, Lang & Haswell, P.A.
211 Northeast First Street
Post Office Box 23879
Gainesville, Florida 32602
(352) 376-5226
Attorney for Clay Electric Cooperative Inc.
Florida Bar No.: 162536



Suwannee Valley
Electric Cooperative, Inc.

POST OFFICE BOX 180 • LIVE OAK, FLORIDA 32060 • PHONE (904) 382-2228

April 15, 1997

Fred & Mary Lou Perry
Rt. 4, Box 285
Lake City, FL 32024-9387

Re: Acct. # 30106466 - 30106468-01 - 30106468-03 - 30106468-04 - 30106468-05

Dear Mr. & Mrs. Perry:

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

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

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

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

Monthly Rate Comparison for January 1997
Does not include taxes

MONTHLY KWH USAGE	CONSUMER MONTHLY BILL			
	RESIDENTIAL		COMMERCIAL	
	CEC	SVEC	CEC	SVEC
250	\$26.53	\$29.48	\$28.40	\$30.83
500	\$44.05	\$50.23	\$47.80	\$52.93
750	\$61.58	\$70.98	\$67.20	\$75.03
1,000	\$79.10	\$91.73	\$86.60	\$97.13
1,500	\$120.40	\$133.23	\$125.40	\$141.33

Territorial Agreement between
Clay Electric Cooperative, Inc.
and Suwannee Valley Electric
Cooperative, Inc. in Columbia
and Suwannee Counties

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

Very truly yours,

Kurt Miller
Director of Engineering

Board of Directors
Suwannee Valley Electric Cooperative, Inc.

ORIGINAL
FBI COPY

DOCUMENT NUMBER-DATE

04145 APR 24 6

FPSC-RECORDS/REPORTING

Territorial Agreement between
Clay Electric Cooperative, Inc.
and Suwannee Valley Electric
Cooperative, Inc. in Columbia
and Suwannee Counties

EXHIBIT #1

**Territorial Agreement
Between
Clay Electric Cooperative, Inc.
and
Suwannee Valley Electric Cooperative Inc.
Columbia & Suwannee Counties**

AGREEMENT

Section 0.1: THIS AGREEMENT, made and entered into this 20th day of February, 1997, by and between the SUWANNEE VALLEY ELECTRIC COOPERATIVE, INC., ("SVEC") and CLAY ELECTRIC COOPERATIVE, INC. ("CLAY"), each of which are corporations organized and existing under the laws of the State of Florida and electric utilities as defined in, and whose retail service territories are subject to regulation pursuant to Chapter 366, Florida Statutes and which corporations are herein collectively called the "Parties";

WITNESSETH:

Section 0.2: WHEREAS, SVEC, by virtue of its Charter and legislative authority, is authorized and empowered to furnish electricity and power to its members, private individuals, corporations and others, and pursuant to such authority, presently furnishes electricity and power to customers located in certain areas of Suwannee and Columbia Counties, Florida, and elsewhere; and

Section 0.3: WHEREAS, CLAY, by virtue of its Charter and legislative authority, is authorized and empowered to furnish electricity and power to persons, firms and corporations throughout the State of Florida and presently furnishes electricity and power to customers in certain areas of Suwannee and Columbia Counties, Florida, and elsewhere; and

Section 0.4: WHEREAS, the respective areas of retail service of the parties hereto are contiguous in many places with the result that duplication of service facilities may occur

in the future unless such duplication is precluded by virtue of this Agreement; and

Section 0.5: WHEREAS, the Florida Public Service Commission ("Commission") has previously recognized that duplication of service facilities may result in needless and wasteful expenditures and may create hazardous situations, both being detrimental to the public interest; and

Section 0.6: WHEREAS, the parties hereto desire to avoid and eliminate the circumstances giving rise to the aforesaid potential hazards and duplications and toward that end have established the Territorial Boundary Line to delineate their respective retail territorial areas in certain areas of Suwannee and Columbia Counties; and

Section 0.7: WHEREAS, the Commission is empowered by the legislature of the State of Florida, pursuant to F.S. 366.04(2)(d), to approve territorial agreements and the Commission has recognized on numerous occasions the wisdom of retail territorial agreements between electric utilities and has adhered to the general policy that retail territorial agreements, when properly presented to the Commission, in the proper circumstances, are advisable and indeed in the public interest;

Section 0.8: 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 set forth, do hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1: Territorial Boundary Line. As used herein, the term "Territorial Boundary Line" shall mean the county line separating the counties of Suwannee and

Columbia, except for the shaded areas as defined in Sections 1.2 and 1.3 below. Those portions of Suwannee County and Columbia County which are not subject to the terms of this Agreement are identified as the areas marked with diagonal lines on the maps included as Exhibit "A".

Section 1.2: SVEC Territorial Area. As used herein, the term "SVEC Territorial Area" shall mean the area shown on Exhibit "A" lying west of the Territorial Boundary Line, except for the shaded area lying west of said line. The shaded area lying west of the Territorial Boundary Line shall be served by Clay.

Section 1.3: CLAY Territorial Area. As used herein, the term "CLAY Territorial Area" shall mean the area shown on Exhibit "A" lying east of the Territorial Boundary Line, except for the shaded area lying east of said line. The shaded area lying east of the Territorial Boundary Line shall be served by SVEC.

Section 1.4: Point of Use. The point of use and not the point of connect or metering shall be determinative as to who shall be the provider of electric service under this Agreement.

Section 1.5: Transmission Lines. As used herein, the term "Transmission Lines" shall mean all electric lines of either party having a rating of 69kV or greater.

Section 1.6: Distribution Lines. As used herein, the term "Distribution Lines" shall mean all electric lines of either party having a rating up to but not including 69kV.

Section 1.7: New Customers. As used herein, the term "New Customers" shall mean those customers applying for electric service during the term of this Agreement at a point of use in the Territorial Area of either party which has not previously been served by either utility.

Section 1.8: Existing Customer. As used herein, the term "Existing Customer" shall mean any person receiving retail electric service from either SVEC or CLAY at the location for which the service is existent on the effective date of this Agreement. The term Existing Customer shall include the widow, widower, or divorced spouse of an Existing Customer who received retail electric service at the same location as of the effective date of this Agreement.

Section 1.9: Consulting Engineer. As used herein, the term "Consulting Engineer" will mean a person or firm registered in the State of Florida as a professional engineer.

Section 1.10: Person. As used herein, the term "Person" shall have the same inclusive meaning given to it in Section 1.01(3), Florida Statutes.

Section 1.11: End Use Facilities. As used herein, the term "End Use Facilities" shall mean a geographic location where the electric energy used by a customer is ultimately consumed.

ARTICLE II RETAIL ELECTRIC SERVICE

Section 2.1: In General. Except as otherwise specifically provided herein, SVEC shall have the exclusive authority to furnish retail electric service to all New Customers within the SVEC Territorial Area and CLAY shall have the exclusive authority to furnish retail electric service to all New Customers in the Clay Territorial Area. The Territorial Boundary Line shall not be affected by any change that may occur in the corporate limits of any municipality lying within the SVEC Territorial Area or the CLAY Territorial Area.

Section 2.2: Service to New Customers. 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, except as specifically provided in this Section 2 of the Agreement.

The Parties recognize that in exceptional circumstances, economic constraints or good engineering practices may indicate that a customer's end-use facilities either cannot or should not be immediately served by the party in whose Territorial Area they are located. In such instances, upon written request by the party in whose Territorial Area the end-use facilities are located, to the other party, the other party may agree in writing to temporarily provide service to such customer's end-use facilities. Any such agreement for temporary service which is anticipated to last for more than one (1) year shall be submitted to the Commission for approval in accordance with Article V, Section 5.1 hereof. Provided, however, the party providing temporary service hereunder shall not be required to pay the other party for any loss of revenue associated with the provision of such temporary service.

In the event that a new customer or prospective new customer requests or applies for service from either party to be provided to end-use facilities located in the Territorial Area of the other party, the party receiving such a request or application shall refer the new customer or prospective new customer to the other party with citation to this Agreement as approved by the Commission, and shall notify the other party of such request or application.

Section 2.3: Transition. In order to minimize inconvenience to SVEC's customers, and to allow CLAY sufficient time to properly plan and schedule an orderly transfer of such customers to CLAY, SVEC may continue to serve its Existing Customers listed on Exhibit "B" as provided in this Section of this Agreement, even though the location at which they are using electric service shall be located in the Territorial Area of CLAY after the approval

of this Agreement by the Commission. This Section shall also apply to additional requirements for electric service by Existing Customers listed on Exhibit "B" at their existing locations. At such time as CLAY has completed its plans to proceed with a transfer of customers, CLAY shall notify SVEC, specifying which of the customers listed on Exhibit "B" will be transferred to CLAY. Thereafter SVEC and CLAY shall agree on the timing of the transfer and compensation to be paid to SVEC as provided in Section 2.6. Notwithstanding the foregoing, all transfers shall be completed within five (5) years after approval of this agreement.

Section 2.4: Transfer of Facilities. Upon the transfer of any Customer of Customers pursuant to this Agreement, CLAY may elect to purchase some or all of the service facilities of SVEC related to the transferred Customer or Customers for the replacement cost of such facilities, less depreciation calculated on a thirty (30) year straight line basis.

With each such transfer and purchase of facilities, the SVEC will make, execute and deliver to CLAY a conveyance, deed or other instrument of transfer as is appropriate in order to convey all rights, title and interest of SVEC party in any facilities, rights-of-way, easements, road permits or other rights so transferred.

Section 2.5: RUS and CFC Approval. Any property transfer from SVEC to CLAY, is subject to approval by the United States of America, Department of Agriculture, Rural Utilities Service and the Cooperative Financing Corporation (collectively, the "RUS Agencies"), which approval SVEC and CLAY agree to promptly and diligently pursue.

Section 2.6: Time of Payment. Payment by CLAY to SVEC for the service facilities that CLAY elects to purchase upon a transfer shall be made within thirty (30) days

of a transfer.

Section 2.7: Deadline for Transfers. Notwithstanding any other provision of this Agreement, all transfers of customers subject to this Agreement including New and Existing Customers shall be completed within five (5) years of the Effective Date hereof. The parties shall therefore cooperate to effect all such transfers within this time period.

Section 2.8: Customer Deposits. The parties intend that transferred customers suffer no hardship due to different deposit requirements required by each party. When possible, the transferring party will refund the deposit of a customer to the customer. The receiving party will then bill the customer a deposit no greater than the deposit previously charged by the other party. When the existing deposit is less than normally required by the receiving party, the receiving party will accept the amount of customer's previous deposit as adequate. When the existing deposit is more than is normally required, the receiving party will refund the excess to the customer. Nothing herein shall require either party to deviate from its deposit policy for customers with unfavorable payment histories.

ARTICLE III BULK POWER SUPPLY

Section 3.1: Bulk Power for Resale. Nothing herein shall be construed to prevent either party from providing a bulk power supply for resale purposes as defined in the Final Judgment dated August 19, 1971 in United States of America v. Florida Power Corporation and Tampa Electric Company, United States District Court for the Middle District of Florida, Case No. 68-297-Civ-T ("the Final Judgment"), regardless of where the purchaser for resale may be located. Further, no other section or provision of this Agreement shall be construed as applying to a bulk power supply for resale purposes as defined in the Final

Judgment.

ARTICLE IV OPERATION AND MAINTENANCE

Section 4.1: Facilities to Remain. No generating plant, transmission line, substation, distribution line or related equipment shall be subject to transfer or removal hereunder; provided, however, that each party shall operate and maintain its lines and facilities in such a manner as to minimize any interference with the operations of the other party.

Section 4.2: SVEC Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of the SVEC to serve any SVEC facility located in the CLAY Territorial Area; provided, however, that the SVEC shall construct, operate and maintain said lines and facilities in such manner as to minimize any interference with the operation of CLAY in the CLAY Territorial Area.

Section 4.3: CLAY Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of CLAY to serve any CLAY facility located in the SVEC Territorial Area; provided, however, that CLAY shall construct, operate and maintain said lines and facilities in such manner as to minimize any interference with the operation of SVEC in the SVEC Territorial Area.

Section 4.4: Resolution of Facilities Issues. If the parties are unable to agree on the calculation of any payment for facilities pursuant to Section 2.4 of this Agreement, or are unable to agree as to any technical requirement of this Agreement, including any provision requiring conformance to sound and economical engineering and operating practices, the parties shall agree upon and appoint a Consulting Engineering to resolve the

dispute. The parties shall share equally the costs of the Consulting Engineer's fees and expenses for services rendered in connection with this Agreement. 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.

ARTICLE V PREREQUISITE APPROVAL

Section 5.1: Commission Approval. The provisions and the parties' performance of this Agreement are subject to the regulatory authority of the Commission, and appropriate approval by that body of the provisions of this Agreement shall be an absolute condition precedent to the validity, enforceability and applicability hereof. This Agreement shall have no effect whatsoever until that approval has been obtained, and the date of the Commission's order, if any, granting initial Commission approval of this Agreement shall be deemed to be the effective date of this Agreement. Any proposed modifications to this Agreement shall be submitted to the Commission for prior approval. In addition, the parties agree to jointly petition the Commission to resolve any dispute concerning the provisions of this Agreement or the parties' performance of this Agreement.

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 any claim against the other arising under this Agreement, and this Agreement shall be void.

ARTICLE VI DURATION - REPORTS

Section 6.1: Term. This Agreement shall continue and remain in effect for a period of thirty (30) years from the date of the Commission's initial Order approving this Agreement.

Section 6.2: Commission's Supervision. The parties recognize the jurisdiction and authority of the Commission to actively supervise and monitor the performance of the parties under this Agreement, and to supervise, monitor, and regulate territorial boundaries between and among Florida's electric utilities. Although this Agreement has a term of thirty (30) years, the parties recognize that either or both parties, an affected consumer, or the Commission itself, may seek to modify this Agreement upon the filing of a proper petition or proceeding before the Commission.

Section 6.3: Reports. The parties shall file an annual report with the Commission on each anniversary of the order approving this Agreement. The report shall advise the Commission on the number of customers transferred, the number remaining to be transferred, the plans for the transfer of the remaining customers, and any other matter relevant to the performance of each utility's obligations under this Agreement. Once all transfers have been completed in accordance with this Agreement, no further reports to the Commission shall be filed, except on the request of the Commission.

ARTICLE VII CONSTRUCTION OF AGREEMENT

Section 7.1: Other Electric Utilities. Nothing in this Agreement is intended to define, establish or affect in any manner the rights of either party hereto relative to any other electric utility not a party to this Agreement with respect to the furnishing of retail electric service including, but not limited to, the service territory of either party hereto relative to the service territory of any other electric utility not a party to this Agreement.

Section 7.2: Intent and Interpretation. It is hereby declared to be the purpose and intent of the Parties that this Agreement shall be interpreted and construed, among other

things, to further this State's policy of actively regulating and supervising the service territories of electric utilities; supervising the planning, development and maintenance of a coordinated electric power grid throughout Florida; avoiding unnecessary or uneconomic duplication of generation, transmission and distribution facilities; and encouraging the proper installation and maintenance of facilities necessary to fulfill the Parties' respective obligations to serve.

ARTICLE VIII MISCELLANEOUS

Section 8.1: Entire Agreement. This is the entire agreement between the parties. 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, attached hereto, signed by both parties and approved by the Commission.

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 the SVEC if mailed by certified mail, postage prepaid, to: General Manager,

Suwannee Valley Electric, Post Office Box 160, Live Oak, Florida 32060; and to CLAY if mailed by certified mail, postage prepaid, to: General Manager, Clay Electric Cooperative Inc., 225 West Walker Drive, Keystone Heights, Florida 32656. 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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate in their respective corporate names and their corporate seals affixed by their duly authorized officers on the day and year first above written.

ATTEST:

SUWANNEE VALLEY ELECTRIC
COOPERATIVE, INC.

By: *Dwight Starnel*
Secretary

By: *J. C. Walker*
J. C. WALKER, President of the Board

(SEAL)

ATTEST:

CLAY ELECTRIC COOPERATIVE, INC.

By: *Susan S. Reeves*
Secretary

By: *Raymond Wingate*
RAYMOND WINGATE, President of the
Board

(SEAL)

APPROVED AS TO FORM AND LEGALITY:

By: 

Legal Counsel to Suwannee Valley Electric Cooperative, Inc.

Name: _____

Address: _____

Telephone Number: _____

By: 

Legal Counsel to Clay Electric Cooperative, Inc.

Name: John H. Haswell

Address: Post Office Box 23879

Gainesville, Florida 32602

Telephone Number: (352) 376-5226

EXHIBIT A

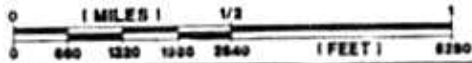
SEE PAGE 101

TWP. 6S.-RNG. 15E.

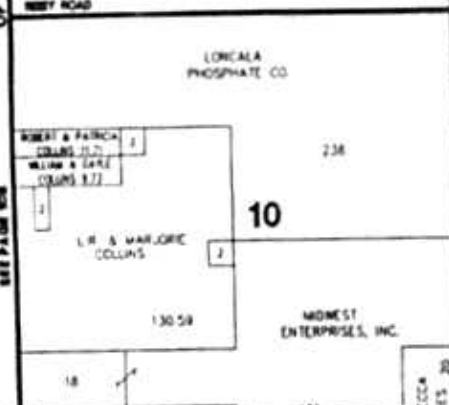
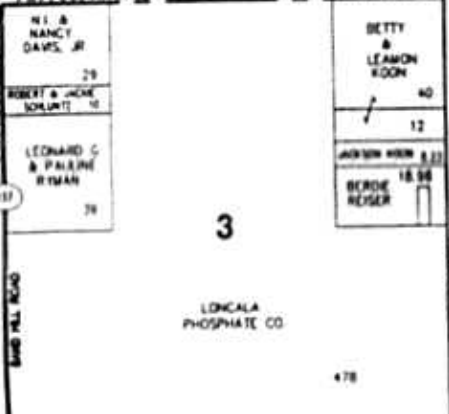
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TWP. 6S.-RNG. 15E.

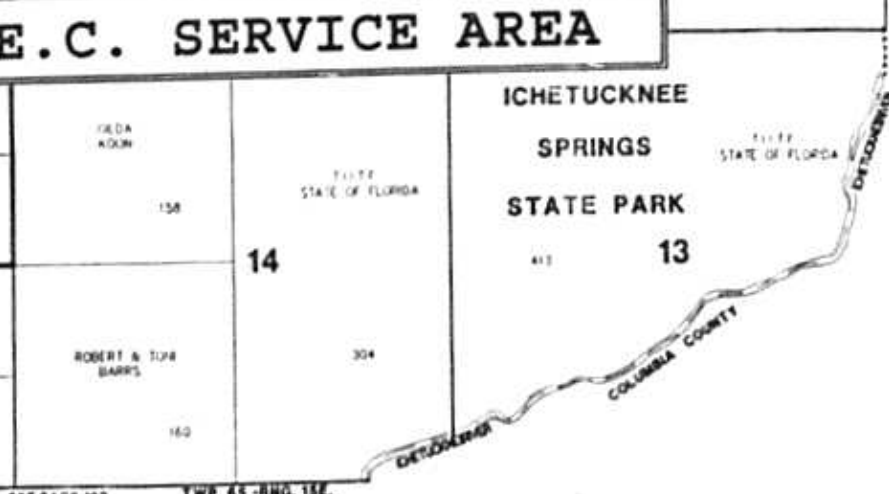
NORTHEAST QUADRANT
SUWANNEE COUNTY, FLORIDA



C.E.C. SERVICE AREA



S.V.E.C. SERVICE AREA



SOUTHEAST

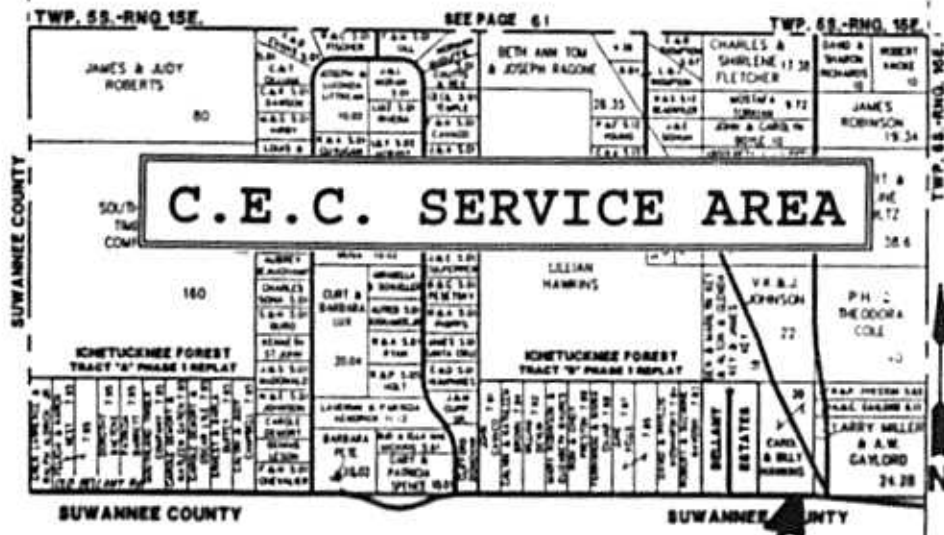
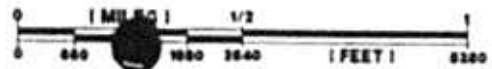
QUADRANT

SEE PAGE 109

TWP. 6S.-RNG. 15E.

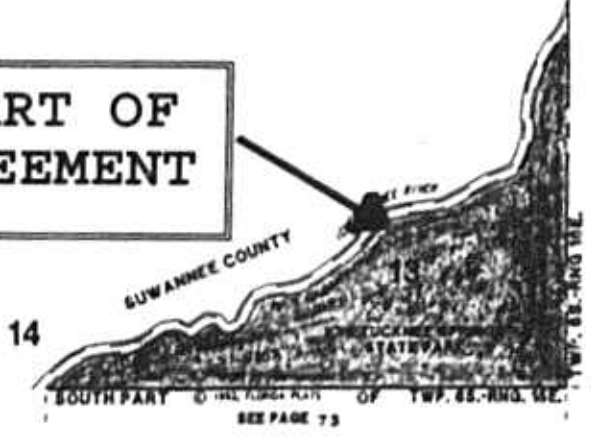
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SOUTH PART
COLUMBIA COUNTY, FLORIDA



S.V.E.C. SERVICE AREA

NOT A PART OF THIS AGREEMENT



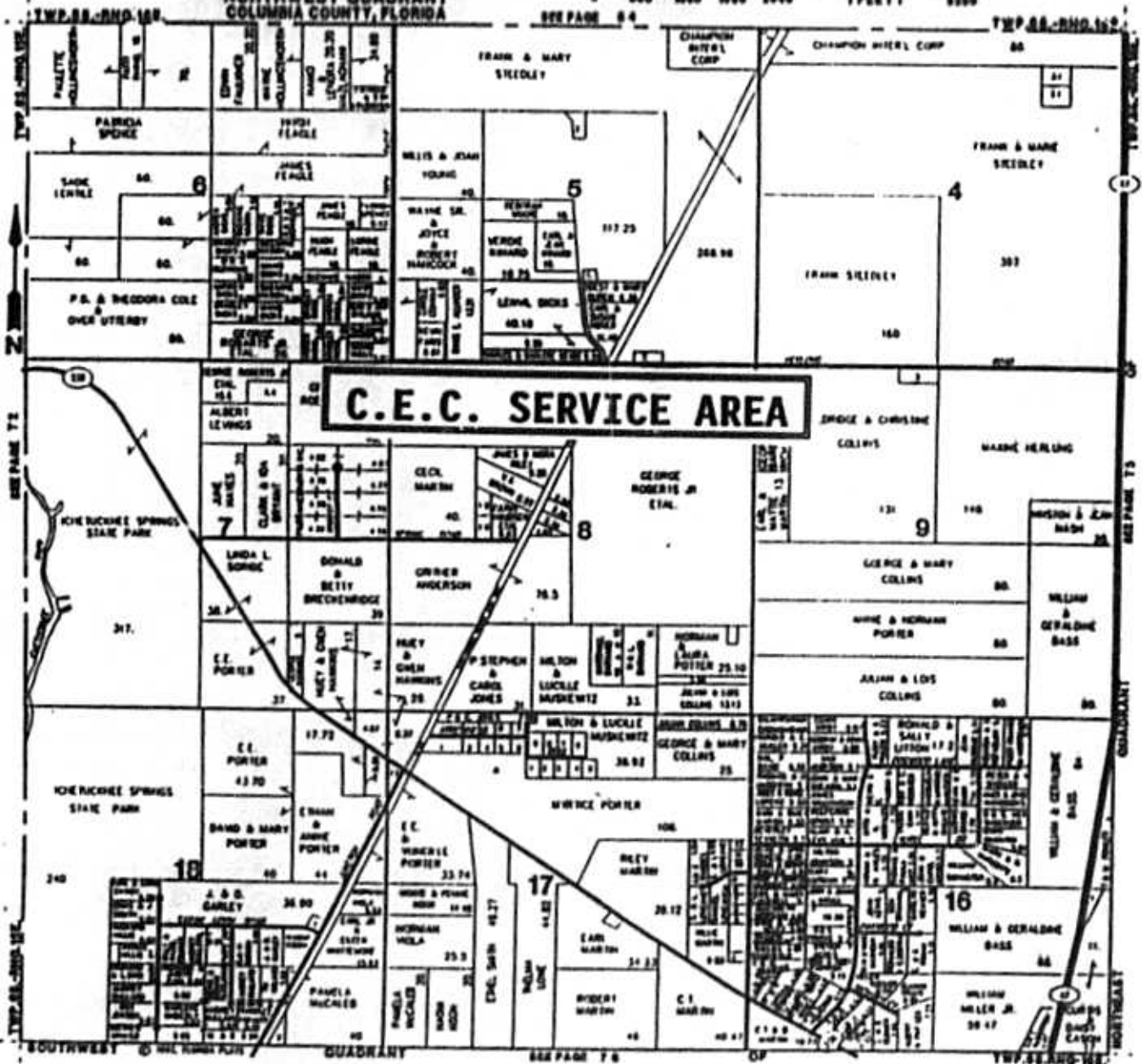
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NORTHWEST QUADRANT
COLUMBIA COUNTY, FLORIDA



SEE PAGE 64

SEE PAGE 65



C.E.C. SERVICE AREA

EXHIBIT B

EXHIBIT "B" - SVEC CUSTOMERS TO CLAY

COLUMBIA COUNTY

#	METER #	ACCOUNT #	NAME	LOCATION	AREA LIGHT
1	60404102	30106466	Fred Perry	G6-14-45-03-0002	0
2	61841343	30106468-03	Fred Perry	G6-14-45-03-0003	0
3	80576629	30106468-04	Fred Perry	G6-14-45-03-0004	1
4	81751182	30106468-05	Fred Perry	G6-14-45-03-0005	0
5	79569230	8417-01	Lisa Morgan	G6-14-53-17-0001	0
6	56610446	30103175-01	Fellowship Bapt	G6-14-50-00-0001	1
7	73542240	31102040-01	Norman B. Ogle	G6-14-55-00-0002	0
8	62934798	30106478-01	Frederick Perry	G6-14-60-05-0001	0
9	61902282	8729-01	Robbin L. Todd	G6-14-60-07-0001	0
10	93703084	30107846-03	Terry Ic Farms	H6-14-85-00-0001	0
11	NONE	50322500-01	Pearlie M. Clark	H6-14-95-00-0001	0
12	93702934	5820-01	Shawn T. Anderson	H6-23-25-20-0001	0
13	57130076	2490-02	Carlos Moncada	H6-26-95-00-0001	0
14	77390945	11310-01	Kathleen Reid	H6-10-80-95-0001	0
15	55918458	10279-01	Roberto Perez	H6-26-75-15-0001	0

Total: 15 Metered Accounts
2 Area Lights

January 17, 1997

EXHIBIT C

United States

Florida Power Corp. and Tampa Electric Co.
Civil No. 68-297-T
United States District Court;
M.D. Florida, Tampa Division
Entered August 19, 1971

TJOFLAT, D. J.

Final Judgment

*1 Plaintiff, United States of America, having filed its complaint herein on July 8, 1968, and its amended complaint on January 10, 1969, defendants

having appeared by their counsel, and the parties hereto, by their respective attorneys, having consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law herein and without this Final Judgment constituting evidence or an admission by either party hereto with respect to any such issue.

Now, Therefore, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein, and upon the consent of the parties hereto, it is hereby

Ordered, Adjudged and Decreed as follows:

I

(Jurisdiction)

This Court has jurisdiction of the subject matter of this action and of the parties hereto. The complaint states a claim upon which relief may be granted against defendants under Section I of the Act of Congress of July 2, 1890, as amended, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," (15 U. S. C., Sec. 1), commonly known as the Sherman Act.

II

(Definitions)

As used in this Final Judgment:

(A) "Defendant(s)" means FLORIDA POWER CORPORATION or TAMPA ELECTRIC COMPANY and each of them.

(B) "Person" means any individual, partnership, firm, association, private corporation, state or municipal corporation or subdivision thereof, electric cooperative corporation or other business or legal entity engaged or proposed to be engaged in the generation and transmission of electric power at wholesale for resale and/or the distribution of electric power at retail; provided, however, that "person" shall not include owners, lessors, operators or managers of rental property, such as, trailer parks, apartment houses, shopping centers or office buildings, who reseter and charge for electric power distributed to their tenants.

(C) "Bulk power supply for resale" means any, some or all arrangements for supply of electric power in bulk to any person for resale, including but not limited to, the taking of utility responsibility for supply of firm power in bulk to fill the full requirements of any person engaged or to be engaged in the distribution of electric power at retail, and/or interconnection

with any person for the sale or exchange of emergency power, economy energy deficiency power, and such other forms of bulk power sales or exchanges for resale made for the purpose or with the effect of achieving an overall reduction in the cost of providing electric power supply.

III

[Applicability]

The provisions of this Final Judgment applicable to the defendants shall also apply to each of their officers, directors, agents, employees, subsidiaries, successors and assigns, and to all persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

IV

[Allocation of Territories]

A. Each defendant is enjoined and restrained from, directly or indirectly, entering into, adhering to, continuing, maintaining, renewing, enforcing or claiming any rights under any contract, agreement, understanding, joint plan or joint program with the other defendant or any other person to limit, allocate, restrict, divide or assign, or to impose or attempt to impose any limitations or restrictions respecting, the persons to whom, or the markets or territories in which, either defendant or any other person may hereafter sell electric bulk power supply for resale.

*2 (B) Nothing herein shall be construed as enjoining or restraining defendants, from engaging jointly in lawful attempts to petition any federal or state governmental body (other than "persons" as defined herein) respecting any aspect of either defendant's business, including without limitation, sale of electric bulk power supply for resale.

V

[Contract Cancellation]

(A) Within 90 days from the date of entry of this Final Judgment, defendants shall take all necessary action to cancel each provision of every contract between the defendants and between or among each of the defendants and other persons, which is contrary to or inconsistent with any provision of this Final Judgment.

(B) Within 90 days from the date of entry of this Final Judgment, defendant shall send to each person presently engaged in the generation and transmission and sale of electric bulk power supply for resale or in the distribution of electric power at retail in the State of Florida a copy of this Final Judgment, and shall, at the same time, advise each such other person affected by the provisions of paragraph V(A) that it is free to sell electric bulk power supply for resale to such persons and in such areas as it may freely choose.

(C) Within 120 days from the date of entry of this Final Judgment, defendant shall file with this Court, and serve upon the plaintiff, an affidavit as to the fact and manner of compliance with Subsections (A) and (B) of this Section V.

VI

[Compliance and Inspection]

For the purpose of determining or securing compliance with this Final Judgment, and for no other purpose, duly authorized representatives of the Department of Justice shall, upon written request by the Attorney General or the Assistant Attorney General in charge of the Antitrust Division given to defendant at its principal office, be permitted, subject to any legally recognized privilege:

(A) Access during the office hours of defendant to all contracts, agreements, correspondence, memoranda, and other business records and documents in the possession or control of defendant relating to any of the matters contained in this Final Judgment;

(B) Subject to the reasonable convenience of defendant and without restraint or interference from it, to interview the officers and employees of defendant, who may have counsel present, regarding any such matters; and

(C) Upon such written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, defendants shall submit written reports relating to any of the matters contained in this Final Judgment as may be requested.

No information obtained by the means provided in this Section VI shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Executive Branch of the plaintiff except in the course of legal proceedings to which the United States is a party for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

VII

[Jurisdiction Retained]

*3 Jurisdiction is retained for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction or carrying out of this Final Judgment, for the modification or termination of any of the provisions hereof, for the enforcement of compliance therewith, and for the punishment of violations thereof.