

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Joint Stipulation of GLADES ELECTRIC
COOPERATIVE, INC. and SEBRING UTILITIES
COMMISSION (Florida Power Corporation as
successor in interest of Sebring Utilities Commission)
for Approval of a Territorial Agreement.

DOCKET NO. 870348-EU
DATE: February 19, 1987

To: Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

**PETITION FOR APPROVAL OF THE TRANSFER OF CUSTOMERS
AND SALE OF FACILITIES
SUBMITTED FOR FILING 13th DAY OF MAY, 1987.**

Florida Power Corporation ("FPC") and Glades Electric Cooperative, Inc. ("GEC") by
and through their undersigned counsel, hereby file this Petition for Approval of the Transfer of
Customers and Sale of facilities and in support thereof, state as follows:

1. The Petitioners' names and addresses are:

Glades Electric Cooperative, Inc.
P.O. Box 519
Moore Haven, Florida 33471

Florida Power Corporation
P.O. Box 14042
St. Petersburg, Florida 33733-4042

2. All notices and correspondence concerning this Petition should be addressed to:

1. Andrew B. Jackson, Attorney
Glades Electric Corporation
P.O. Box 2025
Sebring, Florida 33871

2. J. Bradford Hines, Senior Counsel
Florida Power Corporation
P.O. Box 14042
St. Petersburg, Florida 33733-4042

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

3. The grounds for this Petition are as follows:

a) GEC and Sebring Utilities Commission ("SUC") entered into a Territorial Agreement, dated February 19, 1987 and said Territorial Agreement was approved by the Florida Public Service Commission ("Commission") as a Proposed Agency Action at Commission Conference on August 18, 1987, in Docket Number 870348-EU, (a copy of the said Territorial Agreement is attached hereto as Exhibit "A").

b) FPC subsequently purchased all of the electrical distribution facilities of SUC. Included in that purchase, which was approved by the Commission, in Docket Number 891034-EU, was the assignment by SUC to FPC, all of its rights and responsibilities under the said GEC and SUC Territorial Agreement.

c) GEC has existing customers and facilities to serve those customers in FPC's approved service territory. The said customers and facilities are more particularly described in Exhibit "B" attached hereto.

d) The Territorial Agreement between GEC and SUC (SUC's rights and responsibilities were assigned to FPC) provides in Section 6 thereof that the parties will use reasonable efforts to eliminate electrical services by either party in the retail service area of the other party. The Territorial Agreement further provides that any transfers would be subject to approval by the Commission.

4. GEC and FPC in an effort to comply with the terms and conditions of the said Territorial Agreement and specifically the provisions of said Section 6 entered into negotiations whereby GEC's "foreign" customers and its supporting facilities would be transferred to FPC.

5. After extensive negotiations the parties agreed that GEC would transfer its customers and accounts and all its supporting electrical facilities, more particularly described in Exhibit "B" for one time annual revenue for the customers and the replacement cost less


depreciation for the facilities. The agreed upon amounts are as follows:

| | |
|--|----------------------|
| One year's Revenue | \$ <u>30,186.46</u> |
| Replacement Costs less depreciation for facilities | \$ <u>83,894.00</u> |
| TOTAL | \$ <u>114,080.46</u> |

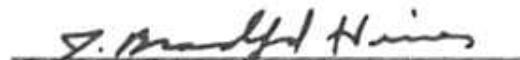
6. The transfer of the customers and facilities are in the public's interest in that it will eliminate duplication of facilities, promote safety, improve reliability and service to the effected customers, all in compliance with the terms and conditions and intent of the said Territorial Agreement.

WHEREFORE, in light of the foregoing, GEC and FPC hereby jointly Petition the Commission for approval of the agreed upon transfer of customers and facilities and for the agreed upon compensation therefor.

Respectfully submitted this 13th day of May, 1997.



Andrew B. Jackson, Attorney
for Glades Electric Cooperative, Inc.



J. Bradford Hines, Senior Counsel
for Florida Power Corporation

EXHIBIT "A"

TERRITORIAL AGREEMENT

This Territorial Agreement (Agreement) is made and entered into this 19th day of Feb, 1987, by and between Sebring Utilities Commission (SEBRING UTILITIES), a Florida municipal electric utility and Glades Electric Cooperative, Inc. (GLADES), an Electric Cooperative, referred to herein collectively as the parties.

WHEREAS, SEBRING UTILITIES furnishes electric service to the public within and near the City of Sebring, Florida in Highlands County; and

WHEREAS, GLADES furnished electric service to the public around and near the City of Sebring, Florida in Highlands County; and

WHEREAS, the respective areas of service of the parties are contiguous and overlapping in some areas with the result that in the future substantial duplication of service facilities may occur unless such duplication is precluded by a territorial agreement; and

WHEREAS, the Florida Public Service Commission has determined that territorial agreements between utilities with contiguous and overlapping areas of service which preclude the duplication of facilities, are in the public interest; and

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

WHEREAS, the parties desire to avoid the duplication of facilities and to otherwise realize the benefits of defined retail service areas;

NOW, THEREFORE, in fulfillment of the premises, and in consideration of the mutual obligations contained herein, the parties agree as follows:

Section 1 - Term. This Agreement shall become effective upon approval as a territorial agreement by the Florida Public Service Commission and shall continue in effect until December 31, 2007.

Section 2 - Scope. This Agreement shall be applicable to retail electric service by the parties in the areas in and near the City of Sebring, Florida, in Highlands County, as depicted on the maps contained in Exhibit A hereto.

Section 3 - Service Areas. The areas identified as "GLADES" areas on the maps contained in Exhibit A are hereby allocated to GLADES as its retail service areas. The areas identified as "SUC" areas on the maps contained in Exhibit A are hereby allocated to SEBRING UTILITIES as its retail service areas. The boundaries between those retail service areas are described in Exhibit B hereto.

Section 4 - Service Obligations. Each party shall have the exclusive right and obligation to provide retail electric service to the public in its designated retail service areas as set forth in Section 3.

Section 5 - Extra-territorial Service. Each party hereby retains the right and obligation to continue to provide retail electric service at existing points of delivery, which are in the retail service areas of the other party, at the time this Agreement becomes effective. Existing points of delivery shall mean service drops and underground service laterals which are physically connected to the customer's property, whether energized or not. Each such party may maintain, repair and replace its facilities used to service such existing points of delivery.

For purposes of this section, the party in whose retail service area the customer is located is referred to as the "host utility party." The party serving a customer in the retail service area of the other party is referred to as the "foreign utility party." If service is being provided at an existing point of delivery by a foreign utility party and the service changes to the extent that substantial new utility facilities are required (for example, the extension of three phase facilities to serve an existing single phase point of delivery), the foreign utility party shall notify the host utility party of the changed service, and the host utility party shall have the following options:

(a) the host utility may decline in writing to provide the changed service because it would require an unreasonable extension of its facilities and thereby waive its right and obligation to provide that service.

(b) the host utility party may request in writing, and the foreign utility party may in its discretion agree, that the changed service be provided by the foreign utility party subject to a transfer of the service to the host utility party when the host utility party determines that it is appropriate to extend its facilities; or

(c) the host utility party may notify in writing the foreign utility party will provide the changed service and thereby acquire the right and obligation to provide that service.

If service is to be provided at a new point of delivery which is near the facilities of a foreign utility party, the host utility party shall have the following options:

(a) the host utility party may request in writing, and the foreign utility party may in its discretion agree, that the new service be provided by the foreign utility party because the new service would require an unreasonable extension of the host utility party's facilities, and the host utility party thereby waives its right and obligation to provide that service;

(b) the host utility party may request in writing, and the foreign utility party may in its discretion agree,

that the new service be provided by the foreign utility party subject to a transfer of the service to the host utility party when the host utility party determines that it is appropriate to extend its facilities; or
(c) the host utility party may provide the new service and thereby acquire the right and obligation to provide that service.

Section 6 - Elimination of Overlapping Services. GLADES and SEBRING UTILITIES agree to use reasonable efforts to eliminate, during the term of this Agreement, electric services by either party in the retail service areas of the other party. This effort shall include the identification of potential customer and facilities transfers which would eliminate duplication of facilities or avoid hazardous conditions. Neither GLADES nor SEBRING UTILITIES shall be obligated to effect any such transfers, and any transfers would be subject to review and approval by the Florida Public Service Commission.

Section 7 - Utility Facilities. Nothing in this Agreement shall be construed to prevent or restrict either party from locating, constructing, maintaining, repairing or replacing its transmission, substation, or distribution facilities in the retail service areas of the other party.

Section 8 - Wholesale Electric Services. Nothing in this Agreement shall be construed to apply to the provision by either

party of bulk power supply for resale, transmission, interchange or other similar wholesale electric services between electric utilities.

Section 9 - Regulatory Approval. This Agreement shall become effective only upon approval by, and shall be subject to the authority of the Florida Public Service Commission. Neither party shall be bound hereunder in any way until that approval is obtained. The Agreement of the parties hereto is conditioned upon approval of this Agreement without modification.

Section 10- Notices. Any notices given under this Agreement to SEBRING UTILITIES shall be provided to General Manager, Sebring Utilities Commission, P. O. Box 971, Sebring, Florida 33870. Any notices given under this Agreement to GLADES shall be provided to General Manager, Glades Electric Cooperative, Inc., P. O. Box 519, Moore Haven, Florida 33570.

Section 11 - Amendment. This Agreement may be amended only by mutual written agreement of the parties.

Section 12 - Headings. The section headings in this Agreement are for reference purposes only and shall not be considered in construing or interpreting this Agreement.

Section 13 - Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the

establishment of defined retail electric service areas where the areas served by the parties are contiguous or overlapping. All prior agreements, understandings or practices with respect to retail electric service areas shall be deemed to have been merged herein and superseded by this Agreement.

IN WITNESS WHEREOF, the parties have executed this Territorial Agreement as set forth below.

ATTEST:

Carl S. Hester

SEBRING UTILITIES COMMISSION

BY

JW Jones

NAME JACK W. JONES

TITLE CHAIRMAN

ATTEST:

Joe Tucker

GLADES ELECTRIC COOPERATIVE, INC.

BY

Orvis N. Sykes

NAME ORVIS N. SYKES

TITLE PRESIDENT

Begin at the NW corner of Section 18, Township 35 South, Range 28 East, said Point of Beginning being on the Hardee-Highlands County boundary line, run thence East along the North Boundary lines of Sections 18, 17, 16, 15, 14, 13, of Township 35 South, Range 28 East; continuing East along the North boundary of said Section 18; thence North along the West boundary of Section 8; Township 35 South, Range 29 East; thence East along the North boundary of said Section 8; thence South along the East boundary of said Section 8; thence East along the North boundaries of Sections 16, 15, 14 and 13, of Township 35 South, Range 29 East; continue East along the North boundaries of Sections 18, 17 and 16, Township 35 South, Range 30 East; thence run North along the West boundaries of Sections 10 and 3, of Township 35 South, Range 30 East, Continue North along the west boundaries of Sections 34, 27, 22, 15 and 10, of Township 34 South, Range 30 East; thence East along the North boundaries of Sections 10, 11 and 12, of Township 34 South, Range 30 East; continue East along the North boundaries of Sections 7, 8, 9 and 10 of Township 34 South, Range 31 East, to the intersection of the Highlands-Okeechobee County boundary line.

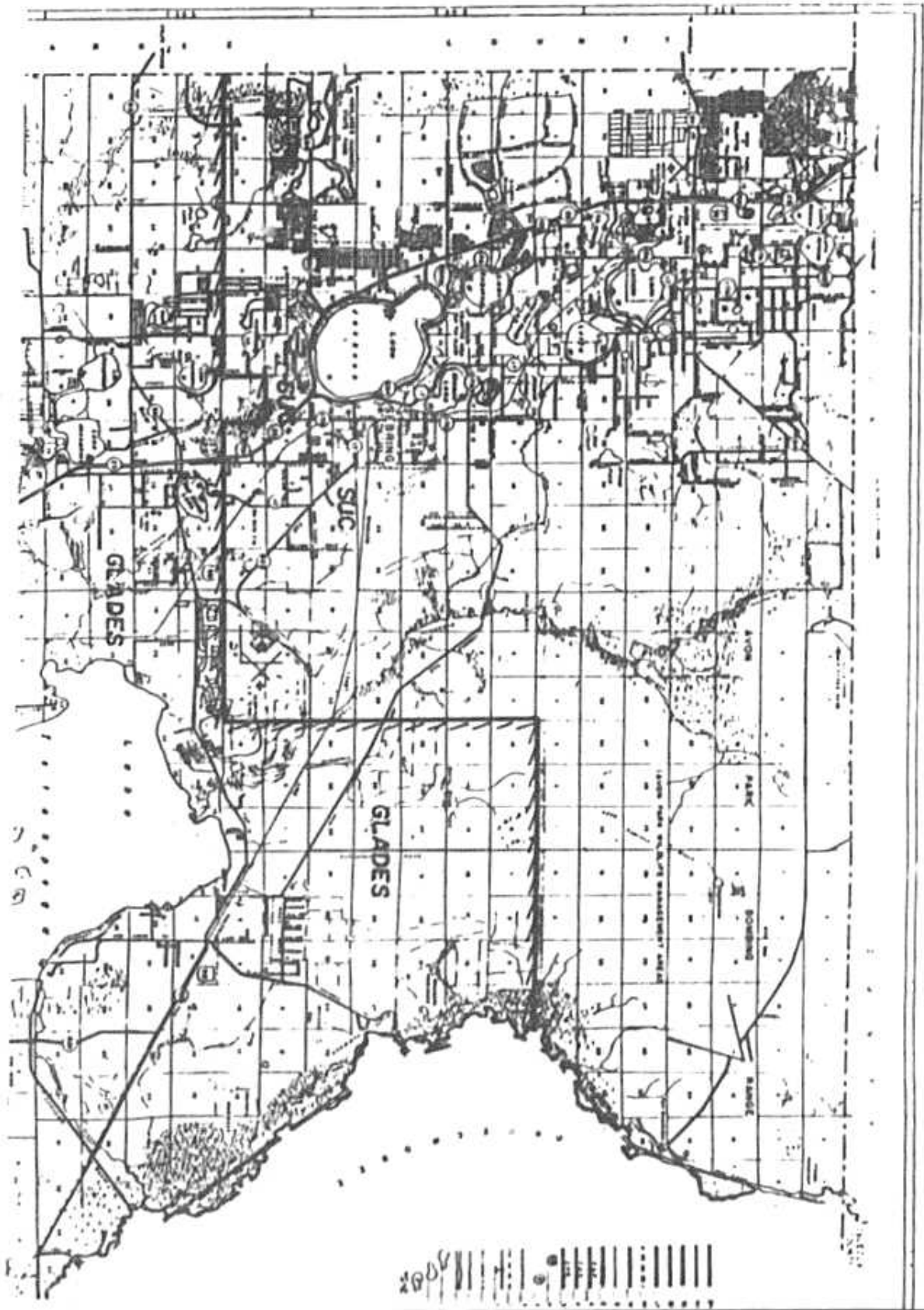


EXHIBIT "B"

GLADES ELECTRIC COOPERATIVE, INC.
TWELVE MONTHS REVENUE HISTORY
OCTOBER, 1994 TO SEPTEMBER, 1995

| CONSUMER | STATUS | ACCT NO. | MAP LOC. | RATE | KWH/YR | REVENUE/YR |
|---------------------|--------|----------------|----------------|------|----------------|--------------------|
| Rajaram, Andai | A | 5967000018-001 | 183-1-06-0-001 | 1 | 21,178 | \$1,985.34 |
| Mayers jr, Aubrey | I | 3922-001 | 183-1-07-0-002 | 1 | 3,824 | \$464.18 |
| Orange Blsm Grove | I | 5415964527-001 | 183-1-07-0-003 | 1 | 0 | \$100.00 |
| Rottenberg, Seymour | A | 6241363602-001 | 183-1-06-0-003 | 2 | 7,152 | \$721.51 |
| Schlosser, Wm. | A | 6436500000-001 | 183-1-06-0-004 | 1 | 441 | \$161.46 |
| Schlosser, Wm. J | A | 6438000009-001 | 183-1-06-0-005 | 1 | 12,475 | \$1,456.35 |
| Mcintyre, Authur E | A | 4938000009-001 | 183-1-06-0-006 | 1 | 5,251 | \$615.83 |
| Mcintyre, Authur | A | 4938000017-001 | 183-1-06-0-001 | 1 | 17,718 | \$1,606.43 |
| Kyger, Robert | I | 1338-001 | 183-1-07-0-004 | 1 | 0 | \$0.00 |
| Tolar, Leon | A | 7389000006-001 | 183-1-07-0-005 | 1 | 26,034 | \$2,444.55 |
| Markos, Theodore | A | 4696500000-001 | 183-1-07-0-006 | 1 | 12,829 | \$1,184.72 |
| Reg Baptist Camp | A | 6045272728-001 | 183-1-07-0-007 | 3 | 56,962 | \$7,184.25 |
| Murray, John P | A | 5238136377-001 | 183-1-07-0-008 | 1 | 22,331 | \$2,081.60 |
| Reg Baptist Camp | A | 2328-001 | 183-1-07-0-014 | 3 | 72,840 | \$10,027.96 |
| Brooker, L.E | A | 824454516-001 | 183-1-07-0-009 | 2 | 2 | \$150.16 |
| TOTAL | | | | | 258,635 | \$30,186.46 |

The Consumers listed below are SUC (FPC) customers being served by GEC.
The Consumers will be transferred to FPC without any revenue consideration.

| | | | | | | |
|--------------------|---|----------------|----------------|---|----------|---------------|
| Steverson, Marlin | A | 6992318201-001 | 183-1-07-0-010 | 1 | 0 | \$0.00 |
| Baker, Bruce | A | 283090884-001 | 183-1-07-0-011 | 1 | 0 | \$0.00 |
| Reg Baptist Camp | A | 6045272736-001 | 183-1-07-0-012 | 1 | 0 | \$0.00 |
| Reg Baptist Camp | A | 355-001 | 183-1-07-0-013 | 2 | 0 | \$0.00 |
| Dean, John/Barbara | A | 3307-001 | 183-1-07-0-015 | 1 | 0 | \$0.00 |
| Reg Baptist Camp | A | 571-001 | 183-1-07-0-016 | 1 | 0 | \$0.00 |
| Reg Baptist Camp | A | 5718-001 | 183-1-07-0-017 | 1 | 0 | \$0.00 |
| TOTAL | | | | | 0 | \$0.00 |

Notes:

1. Revenue per year includes energy and demand charges, excluding taxes

2. Rate Codes:

- 1=Residential
- 2=General Service Non-demand
- 3=General Service Demand

3 Status Code

- A= Active
- I= Inactive

SCHEDULE "B"

Glades Electric Co-op Inc.
 Sale of Property to F.P.Corp.
 List of Record Units at
 CPR Value for year 1993

| Record Unit | Quantity | Total |
|---|----------|-------------------|
| Guy & Anchor | 47 | \$ 4,719.51 |
| Crossarms | 25 | 2,301.75 |
| 30-35 Pole | 37 | 10,541.13 |
| 40-45 Pole | 25 | 8,666.50 |
| Grounds | 62 | 2,465.12 |
| Arrestors | 3 | 208.14 |
| Cutout | 1 | 207.39 |
| Bells | 45 | 3,183.30 |
| Slack Span | 2 | 141.48 |
| #4 ACSR | 440 | 128.88 |
| #2 ACSR | 8308 | 2,049.39 |
| #6 BMD CU. | 26675' | 54,763.77 |
| Sm. Tri. | 1,591 | 1,289.98 |
| Lrg. Tri. | 33 | 37.67 |
| Underground | 885 | 1,668.00 |
| 100 Hps Syl. | 1 | 204.75 |
| 300 Syl. | 4 | 585.82 |
| 15 KVA Transformer | 8 | 4,636.48 |
| 15 KVA Transformer | 6 | 3,509.16 |
| 25 KVA Transformer | 2 | 1,203.48 |
| 37 1/2 KVA Trans. | 2 | 1,778.78 |
| 50 KVA Transformer | 1 | 906.34 |
| Cluster mounts | 2 | 314.70 |
| TOTAL ESTIATED REPLACEMENT COST | | 105,484.10 |
| Net Book Value at Replacement Cost | | |
| Estimated Replacement Cost | | 105,484.10 |
| Actual Depreciation for 16.79 years | | 21,889.42 |
| Net Book Value at Replacement Cost | | 83,594.68 |