

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of  
sale of facilities and transfer  
of customers from Glades  
Electric Cooperative, Inc. to  
Florida Power Corporation.

DOCKET NO. 970640-EU  
ORDER NO. PSC-97-1272-FOF-EU  
ISSUED: October 15, 1997

The following Commissioners participated in the disposition of  
this matter:

JULIA L. JOHNSON, Chairman  
J. TERRY DEASON  
SUSAN F. CLARK  
DIANE K. KIESLING  
JOE GARCIA

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING SALE OF FACILITIES  
AND TRANSFER OF CUSTOMERS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On May 29, 1997, Florida Power Corporation (FPC) and Glades Electric Cooperative, Inc. (Glades) filed a Petition for Approval of the Transfer of Customers and Sale of Facilities from Glades to FPC (the Petition). The purpose of the agreement is to carry out the intent of a 1987 territorial agreement between Glades and a former municipal utility that operated as the Sebring Utilities Commission (Sebring), which was approved by this Commission in Order No. 18028. Within Section 6 of the 1987 agreement, Glades and Sebring agreed to use reasonable efforts to eliminate service by one utility in the service area of the other utility.

Since our approval of the 1987 agreement, FPC has purchased all of Sebring's distribution facilities and has been assigned all of Sebring's rights and responsibilities under the 1987 territorial agreement. We approved Sebring's assignment of its territorial agreement with Glades to FPC in Order No. PSC-92-1468-FOF-EU. As

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FPC-REGULATORY REPORTING

a result, FPC became responsible, along with Glades, for carrying out the intent of the 1987 agreement. The Petition seeks to clean up the territorial boundary delineated by the Commission-approved 1987 territorial agreement.

Exhibit B to the Petition identifies 22 Glades customer accounts (17 residential and five commercial) which are anticipated to be transferred to FPC by the end of 1997. Until the proposed transfers are completed, Glades may continue to serve these customers. The companies have agreed to notify our Division of Electric and Gas upon completion of the transfer of all customers listed in Exhibit B.

The parties jointly sent two form letters to the affected customers. The first letter, dated October 20, 1995, informed the customers that their service would be transferred to FPC before the end of 1995. This letter also informed the customers of the difference in rates between the utilities for their class of service and included telephone numbers of company contacts. Glades indicated that it received two telephone responses to the letter in which the callers simply requested information regarding the transfer and expressed no opinion. Because those customers were never transferred in 1995, the parties jointly sent a second form letter, dated September 10, 1997, to the affected customers. This letter informed the customers that their service would be transferred to FPC before the end of this year. It also included a revised comparison of each utility's rates and telephone numbers of company contacts. In this letter, the parties requested that affected customers provide any comments by September 20, 1997. The parties did not receive any negative responses from affected customers.

For Glades customers with deposits held by Glades at the time of their transfer to FPC, Glades will apply those deposits toward payment of the transferring customers' final bills, with any excess refunded to the customers. Upon transfer to FPC, affected customers will be charged a deposit no greater than the deposit previously charged by Glades. FPC may waive the customer deposit altogether for transferring customers who have favorable credit histories. This treatment of customer deposits should ensure that transferred customers suffer no hardship due to the different deposit requirements of each utility. The capital credits associated with the customers transferring from Glades to FPC will be returned on the normal return cycle as general retirements occur.

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FPC has agreed to pay Glades \$114,080.46 as compensation for the transferred facilities and for the lost revenue associated with the transferred customers. This amount is based on the replacement cost less depreciation for the transferred facilities in addition to one-time annual revenue for the transferred customers.

The boundary approved in Order No. 18028 will remain in effect until December 31, 2007. Upon completion of the transfers, all electric facilities used by each utility to serve its retail customers will be located wholly within that utility's service area as defined in the 1987 agreement.

We find that the Petition for Approval of the Transfer of Customers and Sale of Facilities from Glades Electric Cooperative, Inc., to Florida Power Corporation should be granted. The Petition is consistent with the intent of the 1987 territorial agreement, approved by this Commission in Order No. 18028, to use reasonable efforts to eliminate service by one utility in the service area of the other utility. Further, the Petition 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.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Petition for Approval of the Transfer of Customers and Sale of Facilities from Glades Electric Cooperative, Inc., to Florida Power Corporation is granted as discussed in the body of this Order. It is further

ORDERED that Glades Electric Cooperative, Inc., and Florida Power Corporation shall notify this Commission's Division of Electric and Gas upon completion of the transfer of all affected customers.

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

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ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 15th day of October, 1997.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 5, 1997.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.