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November 24, 1997

ORIGINAL

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

Via Hand Delivery

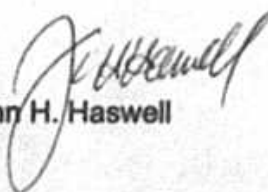
RE: Clay Electric Cooperative, Inc.  
and Florida Power & Light Company  
Docket No. 970512-EU

Dear Ms. Bayo:

I am enclosing herewith the original and fifteen (15) copies of the Post Hearing Brief of Clay Electric Cooperative, Inc., the Post Hearing Statement of Issues and Positions and the Proposed Findings of Fact and Conclusions of Law for filing. Also enclosed is a 3.5 disk containing these documents.

If you have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,

  
John H. Haswell

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMH \_\_\_\_\_ JHH/lez
- CTZ \_\_\_\_\_ Enclosures
- EAG \_\_\_\_\_ cc: Mark Logan, Esquire
- LEG 2 \_\_\_\_\_ Robert Elias
- LIN 2 \_\_\_\_\_ Grace Jaye
- OPC \_\_\_\_\_ Herman Dyal
- RCH \_\_\_\_\_
- SEC 1 \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

*Proposed Findings Post-Hearing Statement Brief*  
DOCUMENT NUMBER-DATE DOCUMENT NUMBER-DATE DOCUMENT NUMBER-DATE  
12055 NOV 24 5 12054 NOV 24 5 12053 NOV 24 5  
FPSC-RECORDS/REPORTING FPSC-RECORDS/REPORTING FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Florida Power & Light )  
Company to Resolve a Territorial Dispute with )  
Clay Electric Cooperative in Baker County )  
\_\_\_\_\_ )

Docket No.: 970512-EU

Filed: November 24, 1997

ORIGINAL

POST HEARING STATEMENT OF ISSUES AND POSITIONS OF  
CLAY ELECTRIC COOPERATIVE, INC.

Clay Electric Cooperative, Inc. in compliance with the Pre-hearing Order (PSC-97-1310-PHO-EU) issued on October 22, 1997, and pursuant to Rule 25-22.056(3), Florida Administrative Code, submits herewith its post hearing statement of issues and positions limiting its position statement for each issue to fifty (50) words or less where possible:

Issue 1: What is the geographic description of the disputed area?

Summary of Clay's position: The disputed area is located in a rural area of Baker County, Florida, in a parcel designated by Baker County as an industrial park, between US Highway 90 to the north and Interstate 10 to the south. The community of Sanderson lies to the west, and the towns of Glen St. Mary and Macclenny lie to the east.

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Stipulated Issue 2: What is the nature of the disputed area, including population, the type of utilities seeking to serve it, degree of urbanization of the area, the area's proximity to other urban areas, and the area's present and reasonably foreseeable requirements for other utilities?

Position: Much of the surrounding area is designated as conservation, wild life or refuge management areas, and national forests. There are no unique outstanding or

distinguishing geographic features. The area is rural. No one resides on the site that is in dispute.

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**Issue 3: Which utility has historically served the disputed area?**

**Summary of Clay's position:** Clay has historically served areas around the disputed site to the north, south and east. FPL has historically served to the west. Neither utility had service to the specific site of the River City Plastics manufacturing plant until Clay built service to the site at the request of the customer.

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**Issue 4: What is the expected customer load and energy growth in the disputed area?**

**Summary of Clay's position:** In the foreseeable future, only River City Plastics is the expected customer load, at an expected demand of approximately 1,955kw and energy growth of approximately 13.6 million kwh.

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**Issue 5: Has unnecessary and uneconomic duplication of electric facilities taken place in the vicinity of the disputed area or in other areas of potential dispute between the utilities?**

**Summary of Clay's position:** No as to Clay. However, the construction of the Wiremill substation by FPL at a rated capacity of 44 megawatts when its existing load is only 8.5 megawatts could certainly be characterized as a duplication of the facilities of Clay and an attempt by FPL to position itself to serve or attempt to serve customers located

within Clay's historic service area.

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Issue 6: Is each utility capable of providing adequate and reliable electric service to the disputed area?

Summary of Clay's position: Clay is capable of providing adequate and reliable service of the type requested by the customer. Since FPL has not offered that same service, its dual feed backup service with an unknown and untested throw-over switch will not be adequate or reliable for the customer's needs.

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Stipulated Issue 7: What is the location, purpose, type and capacity of each utility's facilities existing as of the filing of the petition to resolve the territorial dispute?

Position: Clay Electric Cooperative, Inc. has a one mile radial tap off of the 115kv Baldwin-Columbia transmission line. Clay's Sanderson substation is approximately 3.75 miles from the disputed area. The Sanderson substation has a capacity rating of 7,500kva. Its load is 6,800kva. Clay has a three-phase feeder line running from the Sanderson substation to within approximately 1.5 miles of the disputed area (1.3 miles to the industrial park). Within one-half (1/2) mile (2,815 feet to customer's point of service) of the disputed area, Clay has a single phase 14.4kv distribution line.

FPL has the Baldwin-Columbia 115kv transmission line. FPL has a two mile radial tap which connects the Baldwin-Columbia 115kv transmission line with the Wiremill substation. FPL's Wiremill substation is approximately one-quarter (1/4) mile from the disputed area (2,950 feet to customer's point of service). The Wiremill substation has a

capacity rating of 44mva. Its load is 8.5mva. There are two feeder lines from the Wiremill substation, 1,561 and 1,562.

(NOTE: It was not possible to limit this to fifty words)

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Issue 8: What additional facilities would each party have to construct in order to provide service to the disputed area?

Summary of Clay's position: For Clay, add cooling fans to the Sanderson substation transformers and step up transformers for feeder #3, rebuild .6 miles of single phase on Rhoden Road to three phase, add .25 miles of three phase along Rhoden Road, add new three phase along Rhoden Road and up the plant site road approximately .65 miles (which would include rebuilding the existing single phase construction power to three phase).

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Issue 9: What would be the cost to each utility to provide electric service to the disputed area?

Summary of Clay's position:

<i>Primary Service</i>	<i>Clay</i>	<i>FPL</i>
	\$98,000.00	\$181,985.00
<i>Primary Service with LMG Clay</i>		<i>FPL</i>
	\$ 98,000.00	\$ 294,881.00
	<u>\$1,100,000.00</u>	<u>\$1,511,169.00</u>
	\$1,198,000.00	\$1,806,050.00

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Issue 10: How long would it take for each utility to provide service to the disputed area?

Summary of Clay's position: Clay is already providing service to the disputed area.

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Issue 11: What would be the cost to each utility if it were not permitted to serve the area in dispute?

Summary of Clay's position: \$11,985,089.00, representing the gross power revenue over the fifteen year contract with River City Plastics without taxes. Clay's net revenues at the end of the fifteen year contract which includes line costs, customer site generation costs, wholesale power costs and retail power revenues would total \$2,431,756.00.

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Issue 12: What would be the effect on each utility's ratepayers if it were not permitted to serve the disputed area?

Summary of Clay's position: Loss of the revenues identified in Issue 11, loss of the opportunities for Clay's members to reap the benefits of load management and loss of a reduction in overall demand costs and the likelihood of further territorial disputes with FPL in the area.

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Issue 13: If all other factors are equal, what is the customer preference in the disputed area?

Summary of Clay's position: The customer has chosen Clay Electric Cooperative, Inc. as its service provider.

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Stipulated Issue 14: Are the utilities bound by a territorial agreement?

Position: No territorial agreement governs service in the disputed area.

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Issue 15: Which utility should be awarded the service area in dispute?

Summary of Clay's position: Clay based on the following factors: its lower cost to provide primary service, its lower cost to provide primary service with load management generation, its provision of the only service the customer needs, historic service to the general area, and the logical and natural extension of Clay's facilities and their optimal utilization.

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Submitted by,

  
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John H. Haswell, Esquire  
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Chandler, Lang & Haswell, P.A.  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by regular U.S. mail to the following:

Patrick M. Bryan, Esquire  
Florida Power and Light Company  
700 Universe Boulevard  
Juno Beach, Florida 33408

Grace Jaye, Legal Division  
Robert Elias, Legal Division  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

Mark K. Logan  
Bryant, Miller & Olive  
201 South Monroe Street  
Suite 500  
Tallahassee, Florida 32301

W. G. Walker, III, Vice President  
Florida Power and Light Company  
Regulatory Affairs  
Post Office Box 029100  
Miami, Florida 33102-9100

on this 24 day of November, 1997.

  
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John H. Haswell