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November 24, 1997

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Ms. Blanca S. Bayó, Director
Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Joint Petition for Approval of Territorial Agreement Between Florida Power Corporation and the City of Ocala, Florida
PSC Docket No. 971543-EM


Dear Ms. Bayó:

Enclosed please find for filing an original and 15 copies of a Joint Petition for Approval of Territorial Agreement Between Florida Power Corporation and the City of Ocala, Florida. In addition to the Joint Petition and exhibits thereto, attached is five (5) copies of the General Highway Map for Marion County for informational purposes. - *all maps forwarded to EAG*

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer.

Thank you for your assistance in this matter.

Sincerely,



Frederick M. Bryant

FMB/km

Enclosures

cc: Mr. J. Bradford Hines
Mr. Dean Shaw

reproduce distribution per. it

Joint Petition + Exhs
DOCUMENT NUMBER-DATE

12060 NOV 24 5

FPSR 5-00-REPORTING

Exh 1 (Agreement)
DOCUMENT NUMBER-DATE

12061 NOV 24 5

FPSR 5-00-REPORTING

3. On August 5, 1997, FPC and OEU entered into the Agreement in an effort to more accurately define the parties' respective service areas which are contiguous in many places. The Agreement provides expressly that it is contingent upon the subsequent approval of the Florida Public Service Commission.

4. The Agreement addressed in this petition likewise represents the continued effort by the parties to minimize costs to their respective customers by avoiding unnecessary duplications of generation, transmission and distribution facilities. Toward that end, the parties have established the territorial boundary line described in the Agreement to delineate their respective retail territorial areas, 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 this authority. The Commission has often recognized the wisdom of such agreements, and has held that such agreements, when properly presented to the Commission, are advisable in proper circumstances, and, indeed, 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. FPC and OEU 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 dated August 5, 1997, 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 1 customer account of FPC (1 commercial) which ultimately is to be transferred to OEU pursuant to the Agreement. Section 2.4 of the Agreement provides for the transfer of this customer within 90 days of approval of this Agreement by the Commission due to operational concerns. Attached hereto as Exhibit 2 to this Joint Petition is a copy of the letter notifying this customer of the proposed transfer.


Effect on Service

9. 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 FPC or OEU. The parties believe the provisions of the tentative Agreement will help avoid future uneconomic duplications of facilities and prevent disputes and uncertainties.


10. 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 Florida and avoiding uneconomic duplications of generation, transmission and distribution facilities.

WHEREFORE, FPC and OEU urge that the Commission enter its order approving the Agreement attached hereto as Exhibit No. 1.

DATED this 24th day of November, 1997.



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and

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**Florida
Power**
CORPORATION

Wally Wagoner
Area Manager
Energy Solutions™

November 12, 1997

Family Ties Child Center, Inc.
1105 SE Sanchez Avenue
Ocala, Florida 34471

Dear Sirs:

The Florida Public Service Commission has long recognized the importance of territorial agreements between neighboring utilities. Florida Power Corporation and Ocala Electric Utility have recently completed territorial negotiations and submitted the agreement to the Florida Public Service Commission for approval.

This agreement, if approved, will require your electric service to be transferred from Florida Power Corporation to Ocala Electric Utility within ninety (90) days of approval. You will be notified by mail if this change is necessary.

Enclosed is a table showing the monthly cost of electricity for a commercial account for Florida Power Corporation and for Ocala Electric Utility.

Please call me at (352) 694-8504 if you have any questions or concerns regarding the proposed transfer of service.

Sincerely,

Waller J. Wagoner
Area Manager

EXHIBIT "2"
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**Monthly Rate Comparison
September 1997**

Demand Rate Monthly KW/KWH Usage	Consumer Monthly Bill	
	Commercial	
	FPC	OEU
30 KW-8,000KWH	\$403.50	\$455.53
40 KW-10,000 KWH	\$626.70	\$685.39

Non-Demand Rate Monthly KWH Usage	Consumer Monthly Bill	
	Commercial	
	FPC	OEU
1500 KWH	\$119.13	\$113.12