

VOTE SHEET

JANUARY 20, 1998

RE: DOCKET NO. 970512-EU - Petition to resolve territorial dispute with Clay Electric Cooperative, Inc. in Baker County by Florida Power & Light Company.

Staff recommends approval of Stipulated Issues 2, 7 and 14 at the January 20, 1998, Commission Conference.

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?

APPROVED

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?

APPROVED

COMMISSIONERS ASSIGNED: CL GR

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Susan J. Clark
Joe Garcia

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

01103 JAN 21 88

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

APPROVED

Issue 1a: Should FPL's motion to strike or waive issues contained in post-hearing brief and statement of issues and positions filed by Clay Electric Cooperative be granted?

Recommendation: No. FPL's motion to strike or waive issues contained in post-hearing brief and statement of issues and positions filed by Clay Electric Cooperative should be denied. It appears that FPL and Clay have substantially complied with both the Prehearing Order and Rule 25-22.056(3), Florida Administrative Code.

APPROVED

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

Recommendation: The disputed area is an industrial area just east of the community of Sanderson, in central Baker County. The disputed area extends from Arnold Rhoden Road northward to US Highway 90 (SR 10) and includes the plant site of River City Plastics, Inc. and parcels of an undeveloped industrial park.

APPROVED

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

Recommendation: FPL has a historical presence in providing service to customers near the disputed area, as defined in Issue 1.

APPROVED

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

Recommendation: In the disputed area, the expected load and annual energy requirements are at least 1,955 KW and 13,567,560 KWH, respectively. These numbers represent River City Plastics' expected load and annual energy requirements. However, due to the uncertain nature, timing, and size of future customers' loads at the two undeveloped parcels within the industrial park, it is not possible to determine precisely the expected customer load and annual energy requirements for the remainder of the disputed area.

APPROVED

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?

Recommendation: No. Unnecessary and uneconomic duplication of electric facilities has not taken place in the vicinity of the disputed area nor in other areas of potential dispute between the utilities.

APPROVED

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

Recommendation: Yes. Both companies are capable of providing adequate and reliable electric service to the disputed area.

APPROVED

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

Recommendation: FPL will have to install substation regulators, associated bus work, and approximately one mile of three-phase feeder to provide service to the disputed area. To serve RCP, FPL will have to install a dual feeder primary three-phase service and an automatic throw-over switch. Clay will have to install additional substation capacity and approximately three miles of three-phase feeder to serve the disputed area. To serve RCP, Clay will have to install a primary three-phase service and load management generators.

APPROVED

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

Recommendation: The cost estimates for basic primary three-phase service to River City Plastics are \$108,000 from Clay and \$104,585 from FPL. The cost estimates for the primary dual feed service available to River City Plastics are \$1,208,000 from Clay and \$205,431 for FPL. These costs include estimates to address future growth concerns in the disputed area.

APPROVED

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

Recommendation: Pursuant to Order No. PSC-97-1235-PCO-EI, issued October 13, 1997, Clay is currently providing temporary service to River City Plastics (RCP). If the Commission awards service to FPL, FPL could provide service within four (4) weeks of Commission approval.

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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?

Recommendation: The utility which does not serve the disputed area would incur opportunity costs. FPL would lose an opportunity to earn \$1,087,470 in net income over a five-year period. Clay would lose an opportunity to earn \$1,100,715 in margins over a five-year period. Staff identified, but could not quantify, other opportunity costs. The utility which does not provide service to RCP may need additional time to recover its investment in plant and equipment near the disputed area. In addition, FPL may incur additional costs to construct transmission and distribution facilities in more circuitous routes to reach future customers near the disputed area.

APPROVED

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

Recommendation: As discussed in Issue 11, the utility which does not serve RCP would incur opportunity costs. However, FPL's shareholders, not its ratepayers, would bear the vast majority of these opportunity costs. FPL's ratepayers would not bear any opportunity costs until after the next base rate case. Clay's members could incur opportunity costs from not serving which would impact distribution of their customer credits. In this, Clay's members may be impacted in the same way FPL's shareholders would be if the utility were not allowed to serve.

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

Recommendation: The customer, River City Plastics, has expressed a preference for service from Clay Electric Cooperative, Inc. However, because all other factors are not substantially equal, this should not be the basis for awarding the right to serve the disputed area.

APPROVED

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

Recommendation: FPL should be awarded the service area in dispute. In addition, pursuant to Rule 25-6.0441(4), Florida Administrative Code, the parties should submit to the Commission within three months of the order an official Florida Department of Transportation General Highway County map depicting the boundary lines established by the resolution of the territorial dispute. If FPL is awarded service it should be required to install monitoring equipment on the switch at the Wiremill substation. The monitoring period for evaluation of the switch's reliability should last for 12 months. The results of the monitoring should be made available both to RCP and to this Commission.

APPROVED

Issue 16: How should the Commission rule on Clay Electric Cooperative, Inc.'s proposed findings of fact and conclusions of law?

Recommendation: The appropriate rulings are detailed in Attachment 1 of staff's 1/8/98 memorandum.

APPROVED

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Issue 17: Should this docket be closed?

Recommendation: Yes. This docket should be closed.

APPROVED