#### DECEMBER 4, 2001

RE: Docket No. 010441-EU - Petition to resolve territorial dispute with Gulf Power Company in Washington County by West Florida Electric Cooperative Association, Inc.

ISSUE 1: Pursuant to Rule 25-6.0441(1), Florida Administrative Code, what is the service area that is the subject of this territorial dispute?

PRIMARY RECOMMENDATION: The 35-acre parcel owned by FGT on which Station 13 and the Phase V Compressor Station 13A are located should be designated as the service area.

# DENIED

<u>ALTERNATE RECOMMENDATION</u>: The disputed service area is the area within a four-mile radius of Hinson Crossroads substation, including Station 13A. The service area should be designated as the footprint of the two 15,000 horsepower motors at Station 13A.

APPROVED

Commissioner Polecki dissembled

Blecki dissembled

Blecki dissembled

Blecki dissembled

Commissioners Assigned: Deason, Jaber, Palecki

Commissioners' signatures

Majority

Dissenting

REMARKS/DISSENTING COMMENTS:

COMMENTS: elssue 11 was omitted Commissioner Polechi dissented on Somes 1,2,10

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ISSUE 2: What is the existing and planned load to be served in the disputed area?

<u>PRIMARY RECOMMENDATION</u>: The existing load is that which FGT currently requires for Station 13. The planned load will be that which is required to serve Station 13A, including both the compressor motors and ancillary electric services.

# DENIED

ALTERNATE RECOMMENDATION: The existing load in the four-mile vicinity of Station 13 is approximately 3,000 kilowatts including service to Station 13, which has a peak demand of 159 kilowatts. Projected load growth is approximately 2% per year absent the proposed new load at Station 13A. The estimated peak demand of two electric motors to be sited at Station 13A is approximately 20,000 kilowatts.

**APPROVED** 

Commissioner Palechi dessentia

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STIPULATED ISSUE 3: What is the estimated cost for electric utility facilities to adequately and reliably serve the planned load in the disputed area?

The estimated cost of \$5.5 million for electric utility facilities is approximately the same for either utility to provide service. This amount includes a 230KV switching station, approximately 6 miles of 230 KV transmission cable and poles from the new switching station to a new substation located at Station 13A, a new substation at Station 13A, land purchases, and one transformer.

#### **APPROVED**

ISSUE 4: Are the planned electrical facility additions and other utility services to be provided within the disputed area reasonably expected to cause a decline in the reliability of service to existing and future utility customers?

<u>RECOMMENDATION</u>: No. The planned electrical facility additions and other utility services are not expected to cause a decline in the reliability to existing and future customers of either West Florida or Gulf.

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STIPULATED ISSUE 5: What is the nature of the disputed area with respect to its population, the type of utilities seeking to serve it, degree of urbanization, proximity to other urban areas, and the present and reasonably foreseeable future requirements of the area for other utility services?

The nature of the disputed area is rural as defined by Section 425.03(1), Florida Statutes. Retail service to Station 13A is the only present and reasonably foreseeable future requirement of the area in dispute. The general vicinity is expected to remain rural with slow residential and agricultural load growth. Station 13A is approximately 9 miles from Vernon, 12 miles from Bonifay, 10 miles from Caryville, and 18 miles from Chipley.

#### **APPROVED**

STIPULATED ISSUE 6: What utility does the customer prefer to serve the disputed area?

The customer, ECS, prefers retail service from Gulf.

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STIPULATED ISSUE 7: Will the actions of either West Florida or Gulf cause uneconomic duplication of electric facilities with regard to serving the load in the disputed area?

The construction of the facilities identified in Issue 4, either West Florida or Gulf, will not cause uneconomic duplication of electric facilities with regard to serving the new retail load at Station 13A.

#### **APPROVED**

STIPULATED ISSUE 8: Does West Florida have the right of access, through its wholesale power provider or otherwise, to the same transmission facilities that Gulf proposes to tie into to provide service to the disputed area?

Yes. Gulf does not have exclusive access to the existing and future electric transmission system necessary to serve the new retail load at Station 13A.

### **APPROVED**

ISSUE 9: As a matter of law or policy, is it permissible for an existing customer of an electric utility to enter into a contract with a third party to provide electric service to the existing customer through another electric utility?

<u>RECOMMENDATION</u>: It is not necessary to decide this issue to resolve the territorial dispute.

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ISSUE 10: Which utility should be awarded the service area in dispute? PRIMARY RECOMMENDATION: West Florida should provide electricity to the service area because it is the historical service provider for the area.

# DENIED

ALTERNATE RECOMMENDATION: Gulf Power Company should be awarded the service to ECS at Station 13A. However, the Commission should decline to establish any other territorial boundary in the disputed area that lies within a four-mile radius of Hinson Crossroads.

APPROVED Commissioner Palecki dissentid

ISSUE\_12: Should this docket be closed? RECOMMENDATION: This docket should be closed 32 days after the issuance of the order to allow the time for filing an appeal to run.