

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

RECEIVED - FPSC
MAY - 9 AM 11:56
COMMISSION CLERK

DATE: MAY 9, 2002

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (BREMANN) *JB 202*
OFFICE OF THE GENERAL COUNSEL (STERN) *120*

RE: DOCKET NO. 020147-EU - JOINT PETITION OF TAMPA ELECTRIC COMPANY AND WITHLACOOCHEE RIVER ELECTRIC COOPERATIVE, INC. FOR APPROVAL OF CUSTOMER TRANSFERS TO CONFORM TO TERRITORIAL BOUNDARIES AND FOR OTHER RELIEF.

AGENDA: 5/21/02 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\020147.RCM

CASE BACKGROUND

The Commission approved a territorial agreement between Tampa Electric Company (TECO) and Withlacoochee River Electric Cooperative, Inc. (WREC) in Order No. 6281, issued September 16, 1974 in Docket No. 74485-EU. An amendment to the territorial agreement was approved by Order No. 23905, issued December 20, 1990, in Docket No. 900752-EU. The subject of this recommendation is a Joint Petition of Tampa Electric Company and Withlacoochee River Electric Cooperative, Inc. for Approval of Customer Transfers to Conform to Territorial Boundaries and For Other Relief filed on February 21, 2002.

The Commission has jurisdiction under Section 366.04, Florida Statutes.

DOCUMENT NUMBER-DATE
05040 MAY-98
FPSC-COMMISSION CLERK

DISCUSSION OF ISSUES

ISSUE 1: Should the Joint Petition of Tampa Electric Company and Withlacoochee River Electric Cooperative, Inc. for Approval of Customer Transfers to Conform to Territorial Boundaries and For Other Relief be approved?

RECOMMENDATION: Yes. The Petition should be approved and the territorial agreement should be reaffirmed in all other respects.
(BREMEN/STERN)

STAFF ANALYSIS: In their Joint Petition the parties explain that they completed a voluntary inventory of the geographic locations of customers served by each utility. The inventory revealed that each utility is serving a small number of customers in the other's territory. The utilities request that the Commission approve a transfer of the those customers, identified below, so that each utility will serve those customers within its territory.

The following customers are located in TECO's territory and are currently served by WREC:

- a. A wireless telecommunication service provider - this is a cell tower site on the same property as the WREC corporate office.
- b. Another wireless telecommunication service provider - this is also a cell tower on the same property as the WREC corporate office.
- c. One residential account located on S.R. 575 North of Honey Lane.
- d. One residential account located in the northwest corner S.R. 577 and South Curley Street.
- e. Six residential accounts located within Sec. 34, T26S, R21E, north of the Pasco/Hillsborough County Line Road and West of S.R. 35A.

The following customers are located in WREC's territory and are currently served by TECO:

DATE: May 30, 2002

- a. One residential account with one well water pump account located on the north side of the old railroad right-of-way and west of Emmaus Cemetery Road.
- b. A water pump that is located on Handcart Road South of S.R. 579A.
- c. One residential account that is located on the west side of a private lane leading South of S.R. 579A or South Curley St.

The utilities state that they informed each affected customer of a possible transfer and gave them rate comparison information. All the affected customers except one either favored it or had no opinion. One customer refused to accept the rate comparison information and considered either the contact by the companies or the transfer a form of harassment.

Both utilities assert that they are able to provide service to the customers who would be transferred. Each utility will compensate the other for the distribution facilities that need to be transferred in order to serve the transferred customers. To accomplish the exchange of facilities, each utility will sell its distribution facilities to the other at the original cost less accumulated book depreciation at the time of the exchange.

The utilities also ask that the Commission confirm that each may continue to serve that part of its own infrastructure located in the other's territory. Section 3.1 of the current territorial agreement, quoted below, allows this:

Section 3.1 Facilities to Remain. Except as provided herein all generating plants, transmission lines, substations, distribution lines and related facilities now or hereafter constructed and/or used by either Party in conjunction with their respective electric utility systems, and which are directly or indirectly used and useful in service to Customers in their respective service areas or in fulfilling the requirements of law shall be allowed to remain where situated and shall not be subject to removal or transfer hereunder; provided, however, that each Party shall operate and maintain said lines and facilities in such manner as to minimize any interference with the operations of the other Party.

Nothing contained herein shall be construed to apply to the Parties' facilities or locations thereof except as such facilities relate to providing retail service to the Parties' Customers in their respective service territories. (Emphasis supplied in Joint Petition.)

Staff believes that the Joint Petition should be granted. Each utility is capable of serving the transferred customers, there will not be uneconomic duplication of facilities, or adverse effects to service reliability or safety because of the transfers. The method of determining payment for transferred distribution lines is the same as was used for the transfer of facilities when the 1990 Territorial Agreement was executed and this method is reasonable. Finally, staff believes that, as currently written, the Territorial Agreement allows each utility to serve its own facilities that are located in the other utility's territory, so staff recommends reaffirming approval of the agreement.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action. (STERN)

STAFF ANALYSIS: If no timely protest to the proposed agency action is filed within 21 days of the date of issuance of the Consummating Order, this docket should be closed upon the issuance of the Consummating Order.