

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-

COMMISSION
CLERK

22 OCT 24 PM 1:42

RECEIVED-FPSC

DATE: OCTOBER 24, 2002

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

FROM: OFFICE OF THE GENERAL COUNSEL (C. KEATING) *CKK*
DIVISION OF ECONOMIC REGULATION (D.LEE) *JL JG Jd*

RE: DOCKET NO. 020933-EU - JOINT PETITION FOR APPROVAL OF
AGREEMENT CONCERNING SERVICE TO FOUR CUSTOMERS IN CLAY
COUNTY BY CLAY ELECTRIC COOPERATIVE, INC. AND FLORIDA
POWER & LIGHT COMPANY.

AGENDA: 11/5/02 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\GCL\GCO\WP\020933.RCM

CASE BACKGROUND

On August 29, 2002, Florida Power & Light Company (FPL) and Clay Electric Cooperative, Inc. (Clay) filed a Joint Petition for Approval of Agreement or "Agreement", which is attached hereto as Attachment A. The Agreement is the resolution of a customer complaint and issues that arose between FPL and Clay concerning the provision of electric service to four FPL customers in Bradford County. In March 2001, the Commission opened a complaint case (No. 36577E) filed by Mr. Jeffrey McRae concerning an FPL distribution line traversing his property. The line has been used by FPL for over 30 years as a single phase primary line, which crosses Mr. McRae's property and then feeds three other customers: Jerome Johns, C.E. Johns, and Ray Davenport. Clay serves customers in the adjoining area to the south. Clay has installed facilities to serve the four customers, thus issues arose between FPL and Clay concerning the provision of electric service to these customers.

DOCUMENT NUMBER-DATE

11647 OCT 24 02

FPSC-COMMISSION CLERK

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission approve the Joint Petition for Approval of Agreement?

RECOMMENDATION: Yes, the Agreement is in the public interest and should be approved.

STAFF ANALYSIS: FPL and Clay have not previously entered into a territorial agreement with each other relative to Bradford County. Thus the petition should be recognized as a new territorial agreement for the affected area. The purpose of the Agreement is to resolve the concerns of and provide electric service to the four customers in this area in an economical and non-duplicative fashion. FPL and Clay have worked cooperatively toward a resolution. FPL and Clay agree that Jerome Johns, C.E. Johns, and Ray Davenport will be transferred to Clay upon approval of the Agreement by the Commission. Those three customers support the transfer of their service to Clay. The parties agree that Clay will remove all FPL facilities serving those three customers at Clay's expense. FPL's facilities serving those three customers are aging, and FPL has limited access to the facilities. FPL asserts these facilities have no remaining book value. Clay will also remove, at its own expense, all its facilities installed to serve Mr. McRae. Mr. McRae will be served by FPL and the line crossing Mr. McRae's property will be removed. Mr. McRae also supports this resolution.

Staff believes the Agreement appropriately resolves the customer complaint and avoids the potential uneconomic duplication of facilities. In addition, staff believes the transfer arrangement is reasonable because the FPL facilities being transferred have no remaining book value and the transfer is supported by the affected customers. The Agreement will likely improve the service to the affected customers and is not likely to cause a decrease in the reliability of service to existing or future ratepayers of the two utilities. Therefore, staff believes the Agreement is in the public interest and should be approved.

Staff notes that Rule 25-6.0440(1), Florida Administrative Code, requires that each territorial agreement submitted to the Commission for approval shall be accompanied by, among other things, an official Florida Department of Transportation (DOT) General Highway County map for each affected county depicting

DOCKET NO. 020933-EU
DATE: October 24, 2002

boundary lines established by the territorial agreement. Such maps allow the Commission to maintain a record of the territorial boundaries established between utilities. FPL and Clay have stated that such a map would not be useful or feasible in this instance because of the small amount of property involved. In lieu of a DOT General Highway County map and to satisfy the purpose of the rule, staff has requested legal descriptions of the property that will be transferred among FPL and Clay. As of the filing of this recommendation, staff has not yet received that information. Accordingly, staff recommends that the Commission's approval of this territorial agreement be made contingent upon the submission of legal descriptions of the affected properties. If staff receives this information prior to the Commission's vote on this matter, it will notify the Commission.

DOCKET NO. 020933-EU
DATE: October 24, 2002

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.

STAFF ANALYSIS: 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.

Agreement

This Agreement is made between Florida Power & Light Company ("FPL") and Clay Electric Cooperative, Inc. ("Clay") in order to resolve the concerns of and provide electric utility service to four customers in an economical and non-duplicative fashion. FPL and Clay (the "Parties") hereby agree as follows:

1. FPL is providing electric service to the following four customers: Jerome Johns, C.E. Johns, Ray Davenport and Jeffrey McRae. The Parties agree that Jerome Johns, C.E. Johns and Ray Davenport will be transferred to Clay on a date to be agreed upon by the Parties and each customer, and that Clay will henceforth provide electric service to them.
2. FPL has installed certain facilities to serve the three customers being transferred to Clay. The Parties agree that Clay will remove all such FPL facilities at Clay's expense. FPL asserts these facilities have no remaining book value.
3. Clay has installed certain facilities to serve Mr. McRae. The Parties agree that Clay will remove all such facilities at its own expense, including the underground primary and the associated padmount transformer.
4. Removal of facilities as set forth above shall occur on a date or dates to be agreed upon by the Parties.
5. This Agreement shall be effective upon approval by the Florida Public Service Commission.

AGREED this 21ST day of August, 2002.

FLORIDA POWER & LIGHT COMPANY

BY: *M. Williams*

TITLE: *Vice President of Distribution Operations*

DATE: *8/21/02*

CLAY ELECTRIC COOPERATIVE, INC.

BY: *William C. Phillips*

TITLE: *General Manager*

DATE: *8/8/02*

