

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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COMMISSION CLERK

**DATE:** JUNE 5, 2003

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

**FROM:** OFFICE OF THE GENERAL COUNSEL (M. BROWN) *MCB*  
DIVISION OF ECONOMIC REGULATION (BREMEN) *BREMEN*

**RE:** DOCKET NO. 030391-EU - JOINT PETITION FOR APPROVAL OF  
AMENDMENT TO TERRITORIAL AGREEMENT BETWEEN FLORIDA POWER  
& LIGHT COMPANY AND CITY OF LAKE WORTH UTILITIES.

**AGENDA:** 06/17/03 - REGULAR AGENDA - PROPOSED AGENCY ACTION -  
INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\GCL\WP\030391.RCM

CASE BACKGROUND

On April 24, 2003, Florida Power & Light Company (FPL) and the City of Lake Worth (Lake Worth) filed a petition to amend the "Territorial Agreement and Contract for Interchange Service" that has governed the parties' service territories in and around Lake Worth since 1972. The petition requests approval of an amendment that eliminates all terms and conditions related to interchange and interconnection service but retains all terms and conditions that relate to territorial matters. The proposed amendment separates the parties' wholesale power contract from their retail service territorial agreement and deletes reference to an interchange agreement that has been replaced.

This memorandum recommends approval of the joint petition. The Commission has jurisdiction in this matter pursuant to several provisions of Chapter 366 Florida Statutes, including Sections 366.04 and 366.05, Florida Statutes.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant the joint petition of FPL and Lake Worth to amend their territorial agreement?

RECOMMENDATION: Yes. The amended agreement should become effective the date of the Commission's consummating order approving the agreement. (M. BROWN, BREMAN)

STAFF ANALYSIS: FPL and Lake Worth assert that the proposed amendment (Attachment A) to their 1972 agreement does not change any provisions of the existing agreement that govern the boundaries between their service territories. The amendment only affects the provisions of the original agreement that relate to the parties' wholesale power arrangements. The parties assert that the revisions to the agreement are consistent with the recent agreement between FPL and the Florida Municipal Power Association (FMPPA) to include Fort Worth as an all-requirements member under their Network Service Agreement for the provision of wholesale power.

Staff recommends that the amended territorial agreement is in the public interest and should be approved. The amendment deletes references to an interchange agreement that has been replaced and separates the parties' wholesale power contract from their retail service territorial agreement. All substantive territorial provisions remain in place. The amended agreement should be effective with the issuance of the Commission's consummating order approving the petition.

DOCKET NO. 030391-EU

DATE: 06/05/03

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes. If no protest is filed, this docket should be closed upon the issuance of a Consummating Order. If a protest is filed by a person whose substantial interests are affected within 21 days of the Commission Order approving this agreement, the docket should remain open. (M. BROWN)

**STAFF ANALYSIS:** If a protest is filed by a person whose substantial interests are affected within 21 days of the Commission Order approving this agreement, the docket should remain open. If no protest is filed, the docket should be closed upon the issuance of a Consummating Order.

EXHIBIT A

Amendment to the Territorial Agreement and  
Contract for Interchange Service  
Between  
Florida Power & Light Company  
and  
Lake Worth Utilities Authority, City of Lake Worth, Florida

This Amendment to the Territorial Agreement and Contract for Interchange Service Between Florida Power & Light Company and Lake Worth Utilities Authority, City of Lake Worth, Florida is made and entered into this 12th day of November, 2002 by and between Florida Power & Light Company ("FPL") and the Florida Municipal Power Agency ("FMPA"), as agent for the City of Lake Worth, successor to Lake Worth Utilities Authority, ("Lake Worth"). FPL and FMPA are herein referred to individually as Party and collectively as the Parties.

WHEREAS, Lake Worth has provided written notice to FPL that FMPA has been authorized to act as agent for Lake Worth with respect to interchange service contracts, interconnection agreements, power supply agreements and transmission service agreements;

WHEREAS, Lake Worth and FPL entered into a Territorial Agreement and Contract for Interchange Service, dated March 6, 1972 (the "Lake Worth Agreement");

WHEREAS, FMPA has requested, and FPL has agreed, to include Lake Worth as an All-Requirements Member under the Network Service Agreement Between Florida Power & Light Company and the Florida Municipal Power Agency dated March 6, 1996 (the "NSA");

WHEREAS, to effect such change FMPA and FPL have, among other things, executed and filed with the Federal Energy Regulatory Commission Amendment No. 6 to the NSA, dated October 31, 2002, to include Lake Worth as an All-Requirements Member;

WHEREAS, upon the NSA Amendment No. 6 becoming effective, Lake Worth will receive interchange service under FMPA's Contract for Interchange Service Between Florida Power & Light Company and the Florida Municipal Power Agency dated January 3, 1991 ("FMPA Interchange Contract"); and

WHEREAS, among other things, Amendment No. 6 provides that the Lake Worth Agreement will be amended to eliminate all interchange and interconnection related terms and conditions concurrently with the date that Network Service to Lake Worth becomes effective, thus preserving all terms and conditions relating to territorial matters;

NOW THEREFORE, the parties agree that the Lake Worth Agreement shall be amended as follows:

**Section 1:** Upon Amendment No. 6 to the NSA becoming effective: (a) Sections 0.4 and 0.5; Articles II, III, IV (including associated interchange schedules as amended from time to time), V, VI VII and VIII; and Exhibit C of the Lake Worth Agreement are hereby deleted in their entirety and shall have no further force and effect; (b) "P.O. Box 3100, Miami, Florida" in the third line of Section 9.4 shall be replaced with "P.O. Box 029100, Miami, Florida 33102-9100"; and (c) the title of the Lake Worth Agreement shall be replaced in its entirety with the following: "Territorial Agreement between Florida Power & Light Company and The City of Lake Worth, Florida."

**Section 2:** Except as expressly modified by this Amendment, the terms of the Lake Worth Agreement shall remain in full force and effect and shall continue to govern the relationship of the parties as to territorial matters consistent with the terms of the Lake Worth Agreement.

**Section 3:** In the event that either or both FPL and Lake Worth conclude that this Amendment must be filed with the Florida Public Service Commission, FPL and Lake Worth shall jointly make such a filing and shall provide one another such support and cooperation as may be reasonably required to effectuate the filing and to obtain any required approvals of the Florida Public Service Commission.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their respective authorized representatives as of the date first stated above.

ATTEST:

FLORIDA POWER & LIGHT COMPANY

By: David T. Bromley

By: [Signature] 11/11/02  
Vice President

ATTEST:

FLORIDA MUNICIPAL POWER AGENCY  
(as agent for the City of Lake Worth)

By: [Signature]

By: [Signature] 11/18/02  
General Manager