

ORIGINAL

040231-EL

JAMES A. MCGEE
ASSOCIATE GENERAL COUNSEL
PROGRESS ENERGY SERVICE COMPANY, LLC

March 12, 2004

### VIA OVERNIGHT DELIVERY

Ms. Blanca S. Bayó, Director Division of the Commission Clerk and Administrative Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850



Re: Joint Petition of Talquin Electric Cooperative and Progress Energy Florida for approval of a territorial agreement in Leon and Wakulla Counties.

Dear Ms. Bayó:

Enclosed for filing pursuant to Commission Rule 25-6.0440, F.A.C., are an original and seven copies of the subject Joint Petition.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. A 3½ inch diskette containing the above-referenced document in Word format is also enclosed. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

JAM/scc Enclosures

cc: James Harold Thompson, Esquire

RECEIVED & FILED

PSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

#### BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of Talquin Electric )
Cooperative and Progress Energy Florida )
for approval of a territorial agreement in )
Leon and Wakulla Counties, Florida.)

Docket No. 040231-EU

Filed: March 16 + 2004

## **JOINT PETITION**

Joint Petitioners, Talquin Electric Cooperative, Inc., ("Talquin") and Progress Energy Florida, Inc., ("Progress Energy") pursuant to Section 366.04(2)(d), Florida Statutes, and Rule 25-6.0440, Florida Administrative Code, hereby jointly petition the Florida Public Service Commission (the "Commission") for approval of a territorial agreement between the parties in Leon and Wakulla Counties, Florida. In support hereof, Joint Petitioners state as follows:

1. All notices and pleadings in this matter should be served on the following:

For Talquin:

James Harold Thompson General Counsel

Ausley & McMullen

P.O. Box 391

Tallahassee, Florida 32302

For Progress Energy:

James A. McGee

Associate General Counsel

Progress Energy Service Co., LLC

P.O. Box 14042

St. Petersburg, FL 33733-4042

2. Joint Petitioners are electric utilities as defined in Section 366.02(2), Florida Statutes, and are subject to jurisdiction of the Commission with respect to territorial agreements and territorial disputes pursuant to Section 366.04(2)(d) and (e), Florida Statutes. Talquin's principal offices are located at 1640 West Jefferson Street, Quincy, Florida 32351. Progress Energy's principal offices are located at 100 Central Avenue, St. Petersburg, Florida 33701.

- 3. Talquin and Progress Energy have previously entered into territorial agreements dated December 8, 1976, and March 18, 1988, and approved by the Commission on July 26, 1977, and August 15, 1988, respectively, that have been effective in avoiding the uneconomic duplication of facilities within the parties respective Territorial Areas in Leon and Wakulla Counties. On March 22004, Talquin and Progress Energy entered into a new territorial agreement re-establishing their Territorial Areas in Leon and Wakulla Counties (the "Agreement"), the effectiveness of which is expressly conditioned upon approval by the Commission in its entirety. A copy of the Agreement, including the maps depicting the territorial boundary line, is appended as Attachment 1 to this joint petition.
  - 4. Article III of the Agreement provides for the transfer of Extra-Territorial Customers to the utility in whose Territorial Area such Customers' end-use facilities are located using two different approaches. The 17 Extra-Territorial Customers currently served by Progress Energy will be transferred to Talquin as soon as practicable after the Agreement's Effective Date, *i.e.*, the date of a Commission order approving the Agreement. With respect to the 25 Extra-Territorial Customers currently served by Talquin, the parties have agreed that they will jointly request these Customers to voluntarily receive service from Progress Energy, and that five years after the Effective Date either party may request the Commission to require the transfer of any remaining Extra-Territorial Customers who have not agreed to be transferred voluntarily. The other party would be entitled to oppose the required transfer of these Customers and both parties have agreed to be bound by the Commission's decision.

- 5. Prior to the filing of this Joint Petition, all Extra-Territorial Customers currently served by Progress Energy, *i.e.*, the Extra-Territorial Customers who are subject to immediate transfer, have been forwarded written notification of the Agreement between Talquin and Progress Energy, the transfer provision described above, the necessity of Commission approval, and their opportunity to be heard in this regard. A sample copy of the letter providing such notification to the affected Extra-Territorial Customers is appended as Attachment 2 to this joint petition. As of the time of filing, no responses to the notification letter have been received. A summary of the responses ultimately received will be provided by supplemental filing. In addition, the Agreement provides that the Extra-Territorial Customers currently served by Talquin, who are not subject to immediate transfer, will be jointly contacted by Talquin and Progress Energy within 60 days of the Effective Date and again in five years to explain the purpose and benefits of the Agreement and to solicit their voluntary transfer.
- 6. The Agreement also provides for compensation by the utility receiving any such required or voluntary transfer of Extra-Territorial Customers to the transferring utility. In addition, the Agreement establishes a reasonable purchase price for the transfer of any related service facilities based on the facilities' replacement cost less depreciation, plus the transferring party's cost, if any, to reintegrate its remaining facilities into its distribution system.
- 7. The parties represent that approval of this Agreement will not cause a decrease in the reliability of electrical service to the existing or future customers of either utility, and that there is reasonable likelihood that this Agreement will eliminate unnecessary duplication of facilities and will promote the Commission's stated policy of encouraging territorial agreements between and among Florida's electric utilities.

WHEREFORE, Joint Petitioners, Talquin and Progress Energy, respectfully request that the Commission approve the Territorial Agreement appended hereto as Attachment 1.

James Harold Thompson

General Counsel

Ausley & McMullen

P.O. Box 391

Tallahassee, Florida 32302

Attorney for

TALQUIN ELECTRIC COOPERATIVE, INC.

James A. McGee

Associate General Counsel

Progress Energy Service Company, LLC

P.O. Box 14042

St. Petersburg, FL 33733-4042

Attorney for

PROGRESS ENERGY FLORIDA, INC.

## **ATTACHMENT 1**

TERRITORIAL AGREEMENT DATED MARCH (2), 2004
BETWEEN PROGRESS ENERGY FLORIDA
AND TALQUIN ELECTRIC COOPERATIVE

## **AGREEMENT**

Section 0.1 THIS AGREEMENT, made and entered into this day of March, 2004, by and between TALQUIN ELECTRIC COOPERATIVE, INC., an electric cooperative organized and existing under the laws of the State of Florida (the "COOPERATIVE"), and PROGRESS ENERGY FLORIDA, INC., a private corporation organized and existing under the laws of the State of Florida (the "COMPANY"), referred to herein collectively as the "Parties" and individually as the "Party";

## WITNESSETH:

Section 0.2 WHEREAS, the COOPERATIVE, by virtue of Chapter 425, Florida Statutes, is authorized and empowered to furnish electricity and power to its members, private individuals, corporations and others, as defined by the laws of Florida, and pursuant to such authority, presently furnishes electricity and power to members and customers in areas of Leon and Wakulla Counties, Florida, and elsewhere; and

Section 0.3 WHEREAS, the COMPANY is authorized and empowered to furnish electricity and power to persons, firms and corporations throughout the State of Florida and presently furnishes electricity and power to customers in certain areas of Leon and Wakulla Counties, Florida and elsewhere; and

Section 0.4 WHEREAS, the respective areas of retail service of the Parties are contiguous in many places, and the Parties have previously entered into territorial agreements dated December 8, 1976 and March 18, 1988, which were approved by the Florida Public Service Commission (the "Commission") on July 26, 1977, and August

15, 1988, respectively, in an effort to avoid duplication of service facilities and have thereby precluded such duplication; and

Section 0.5 WHEREAS, in approving the previous territorial agreements between the Parties the Commission has recognized that duplication of said service facilities may result in needless and wasteful expenditures and may create hazardous situations, both being detrimental to the public interest; and

Section 0.6 WHEREAS, the Parties desire to continue to avoid and eliminate the circumstances giving rise to the aforesaid potential hazards and duplications and toward that end have reestablished the Territorial Boundary Line to delineate their respective retail territories in Leon and Wakulla Counties; and

Section 0.7 WHEREAS, the Commission is empowered by the legislature of the State of Florida, pursuant to Section 366.04(2)(d), Florida Statutes, to approve territorial agreements and the Commission has recognized on numerous occasions the wisdom of retail territorial agreements between electric utilities and has adhered to the general opinion that retail territorial agreements, when properly presented to the Commission, in the proper circumstances, are advisable and indeed in the public interest;

Section 0.8 NOW, THEREFORE, in fulfillment of the purposes and desires aforesaid, and in consideration of the mutual covenants and agreements herein contained, which shall be construed as being interdependent, the Parties, subject to and upon the terms and conditions herein set forth, do hereby agree as follows:

## ARTICLE I DEFINITIONS

Section 1.1: Territorial Boundary Line(s) – As used herein, the term "Territorial Boundary Line(s)" shall mean the boundary line(s) described in part by metes and bounds

in Composite Exhibit A and delineated as such in full on the Leon and Wakulla County maps included as a part of Composite Exhibit A.

Section 1.2: Cooperative Territorial Area – As used herein the term "Cooperative Territorial Area" shall mean all of the territory and lands in Leon and Wakulla Counties, Florida, lying within Territorial Boundary Lines and labeled "Cooperative Territorial Area" on Composite Exhibit A.

Section 1.3: Company Territorial Area – As used herein the term "Company Territorial Area" shall mean all of the territory and lands in Leon and Wakulla Counties, Florida, lying within Territorial Boundary Lines and labeled "Company Territorial Area" on Composite Exhibit A.

Section 1.4: Point of Use – As used herein, the term "Point of Use" shall mean the location within the Territorial Area of a Party where a customer's end-use facilities consume electricity, which such Party shall be entitled to provide under this Agreement, irrespective of whether the customer's point of connection or metering is located in the Territorial Area of the other Party.

<u>Section 1.5: New Customers</u> – As used herein, the term "New Customers" shall mean those customers applying for electric service after the Effective Date of this Agreement.

Section 1.6: Extra-Territorial Customers – As used herein, the term "Extra-Territorial Customers" shall mean those customers whose Points of Use are in the Territorial Area of one Party but who are receiving service from the other Party on the Effective Date of this Agreement and whose account has not been subsequently closed or

changed to the name of a new customer (except when changed to the name of a widow or widower of a deceased Extra-Territorial Customer),.

<u>Section 1.7: Commission</u> – As used herein, the term "Commission" shall mean the Florida Public Service Commission.

Section 1.8: Effective Date – As used herein, the term "Effective Date" shall mean the date of the Commission's final order granting approval of this Agreement.

## ARTICLE II RETAIL ELECTRIC SERVICE

Section 2.1: In General – Except as otherwise specifically provided herein, the COOPERATIVE shall have the exclusive authority to furnish retail electric service within the Cooperative Territorial Area and the COMPANY shall have the exclusive authority to furnish retail electric service in the Company Territorial Area. The Territorial Boundary Line shall not be affected by any change that may occur in the corporate limits of any municipality lying within the Cooperative Territorial Area or the Company Territorial Area.

<u>Section 2.2: Service to New Customers</u> – The Parties agree that neither of them will knowingly serve or attempt to serve any New Customer whose Point of Use facilities are located within the Territorial Area of the other Party, except as specifically provided in Section 2.3 of this Agreement.

<u>Section 2.3: Temporary Service</u> – The Parties recognize that in exceptional circumstances, economic constraints or good engineering practices may indicate that a New Customer's Point of Use facilities either cannot or should not be immediately served by the Party in whose Territorial Area they are located. In such instances, upon written request by the Party in whose Territorial Area the Point of Use facilities are located, the

other Party may agree in writing to temporarily provide service to such customer's enduse facilities and shall inform the customer of the temporary nature of such service. Any
such agreement for temporary service which is anticipated to last more than one year
shall be submitted to the Commission for approval in accordance with Section 5.1 hereof,
provided, however, the Party providing temporary service hereunder shall not be required
to pay the other Party for any loss of revenue associated with the provision of such
temporary service. Any such temporary service shall be discontinued when the Party in
whose service area it is located shall provide such service.

Section 2.4: Referral of Service Request — In the event that a New Customer or prospective New Customer requests or applies for service from either Party to be provided to Point of Use facilities located in the Territorial Area of the other Party, the Party receiving such a request or application shall refer the New Customer or prospective New Customer to the other Party with citation to this Agreement as approved by the Commission, and shall notify the other Party of such request or application.

<u>Section 2.5: Extra-Territorial Customers</u> – This Agreement is intended to apply to New Customers, as herein defined, and subject to the transfer provisions in Article III hereof, nothing in this Agreement shall be interpreted as precluding either Party from continuing to serve all Extra-Territorial Customers located in the Territorial Area of the other.

## ARTICLE III TRANSFER OF CUSTOMERS

<u>Section 3.1: Transfer of Customers</u> – The COMPANY and the COOPERATIVE shall work toward the transfer of those Extra-Territorial Customers existing within the Territorial Area of the other. To that end, the provisions of Sections 3.1.1 and 3.1.2 shall

apply to the Extra-Territorial Customers listed in Exhibit B hereto, and the provisions of Section 3.1.3 shall apply to the Extra-Territorial Customers listed in Exhibit C hereto.

Section 3.1.1: - The Parties shall, within 60 days after the Effective Date, jointly contact the Extra-Territorial Customers listed in Exhibit B to explain the purpose and benefits of this Agreement and to request that they voluntarily receive service from the utility in whose Territorial Area they are located. All those who volunteer for transfer shall be transferred at the earliest practical date, with compensation for each such voluntarily transferred account and any related service facilities to be determined in accordance with Section 3.2.

Section 3.1.2: - Five years from the Effective Date, the Parties shall again jointly contact the remaining Extra-Territorial Customers listed in Exhibit B and solicit their voluntary transfer. Within 60 days after this solicitation period, if there are remaining Extra-Territorial Customers who have not volunteered for transfer, either Party may apply to the Commission to require the transfer of these customers, and the other Party may oppose or agree to this action to the full extent allowed by law except that the other Party may not assert that such transfer is contrary to or in any way precluded by this Agreement. The Parties hereby agree that the decision of the Commission on the question at that time will be binding for the remainder of the term of this Agreement; and that this Agreement will otherwise remain in full force and effect at all times during the term provided for in Section 6.1 hereof. In the event the Commission requires the transfer of the remaining Extra-Territorial Customers, compensation for transferred accounts and any related service facilities will be determined in accordance with Section 3.2.

Section 3.1.3: The Extra-Territorial Customers listed in Exhibit C and any related service facilities the receiving Party elects to acquire will be transferred to the Party in whose Territorial Area they are located as soon as practicable after the Effective Date. Compensation for the transfer of each such Extra-Territorial Customer account and any such related service facilities shall be determined in accordance with Section 3.2.

Section 3.2: Compensation for Transferred Customers and Facilities.

Section 3.2.1: Going Concern Value for Extra-Territorial Customers – The receiving Party shall pay to the transferring Party for each customer account transferred an amount equal to two and one-half (2 ½) multiplied by (a) the transferring Party's total revenues from the sale of electric service (including the customer, fuel and demand charges but excluding taxes and fees) to such account during the most recent 12 complete billing months available at the time of transfer, or (b) if service was provided for less than 12 complete billing months, the average monthly amount of such revenues times 12. In the case of a customer account that was not billed for any part of the preceding 12 billing months, the amount to be paid for the transfer of such account shall be the transferring Party's prevailing average annual amount of such revenues from customers of the same class (i.e. residential, commercial, etc.), multiplied by 2 ½. In addition, the same compensation methodology shall be followed for the total revenues (including pole rental and fixture maintenance charges) of each transferred street or security lighting account.

Section 3.2.2: Cost of Facilities – If the Party receiving a customer account transferred pursuant to\_Section 3.1 above elects to acquire any related service facilities, the receiving Party shall compensate the transferring Party an amount based upon the replacement cost (new), less depreciation calculated on a straight line basis over the life

of the asset (facility) from the date of the installation of the service facilities, and the cost to the transferring Party for reintegration of its remaining system to the extent such reintegration costs are reasonably\_required, following prudent utility practice. The replacement cost shall be determined by applying a cost escalator such as the Handy Whitman Index or a common engineering cost estimation methodology, such as the COMPANY's Work Management (WMS) Program.

Section 3.2.3: Time of Payment – All payments from the receiving Party to the transferring Party determined in accordance with this section shall be made in cash within 60 days of the related transfer.

<u>Section 3.2.4: Transfer Instruments</u> – For each transfer, the transferring Party will make, execute, and deliver to the receiving Party a conveyance, deed or other instrument of transfer in order to convey all rights, titles and interests of the transferring Party in any facilities, rights-of-way, easements, road permits, or other rights to the receiving Party.

# ARTICLE IV OPERATION AND MAINTENANCE

Section 4.1: Facilities to Remain – No electric facilities or related equipment except as provided in Article III above, shall be subject to transfer or, removal hereunder; PROVIDED, HOWEVER, that each Party shall operate and maintain its lines and facilities in such a manner as to minimize any interference with the operations of the other Party.

<u>Section 4.2: Joint Use</u> – Nothing in this agreement shall prevent the Parties from entering into Joint Use Agreements.

<u>Section 4.3: COOPERATIVE Facilities to be Served</u> – Nothing herein shall be construed to prevent or in any way inhibit the right and authority of the COOPERATIVE

to serve any COOPERATIVE facility located in the Company Territorial Area which facility is used exclusively in connection with the COOPERATIVE's business as an electric utility; provided, however, that the COOPERATIVE shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of the COMPANY in the Company Territorial Area.

Section 4.4: COMPANY Facilities to be Served – Nothing herein shall be construed to prevent or in any way inhibit the right and authority of the COMPANY to serve any COMPANY facility located in the Cooperative Territorial Area which facility is used exclusively in connection with the COMPANY's business as an electric utility; provided, however, that the COMPANY shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of the COOPERATIVE in the Cooperative Territorial Area.

# ARTICLE V PREREQUISITE APPROVAL

Section 5.1: Commission Approval – The provisions and the Parties' performance of this Agreement are subject to the regulatory authority of the Commission, and appropriate approval by that body of the provisions of this Agreement shall be an absolute condition precedent to the validity, enforceability and applicability hereof. This agreement shall have no effect whatsoever until that approval has been obtained. Any proposed modification to this Agreement shall be submitted to the Commission for approval. In addition, either Party may petition the Commission to resolve any dispute concerning the provisions of this Agreement or the Parties' performance of this Agreement.

Section 5.2: Liability in the Event of Disapproval – In the event approval pursuant to Section 5.1, is not obtained, neither Party will have any claim against the other arising under this Agreement.

Section 5.3: Supersedes Prior Agreements – Upon approval by the Commission, this Agreement shall be deemed to specifically supersede all prior agreements between the Parties defining the boundaries of their respective Territorial Area in Leon and Wakulla Counties.

## ARTICLE VI DURATION

Section 6.1: Term - This Agreement shall continue and remain in effect for a period of twenty (20) years from the Effective Date.

## ARTICLE VII CONSTRUCTION OF AGREEMENT

Section 7.1: Bulk Power for Resale – Nothing herein shall be construed to prevent either Party from providing a bulk power supply for resale purposes, regardless of where the purchaser for resale may be located. Further, no other section or provision of this Agreement shall be construed as applying to a bulk power supply for resale purposes.

Section 7.2: Intent and Interpretation – It is hereby declared to be the purpose and intent of the Parties that this Agreement shall be interpreted and construed, among other things, to further this State's policy of actively regulating and supervising the service territories of electric utilities; supervising the planning, development, and maintenance of a coordinated electric power grid throughout Florida; avoiding uneconomic duplication of electric facilities; and encouraging the installation and maintenance of facilities necessary to fulfill the Parties' respective obligations to serve.

## ARTICLE VIII MISCELLANEOUS

Section 8.1: Negotiations – Whatever terms or conditions may have been discussed during the negotiations leading up to the execution of this Agreement, the only ones agreed upon are those set forth herein, and no alteration, modification, enlargement or supplement to this Agreement shall be binding upon either of the Parties unless the same shall be in writing, attached hereto, signed by both Parties, and approved by the Commission.

Section 8.2: Successors and Assigns – Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon or give to any person or corporation other than the Parties any right, remedy, or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding only upon the Parties and their respective representatives, successors and assigns.

Section 8.3: Notices – Notices given hereunder shall be deemed to have been given to the COOPERATIVE if mailed by certified mail, postage prepaid, to: Manager, Talquin Electric Cooperative, Inc. P.O. Box 1679, Quincy, Florida 32353; and to the COMPANY if mailed by certified mail, postage prepaid, to: President, Progress Energy Florida, P.O. Box 14042, St. Petersburg, Florida 33733. Such address to which such notice shall be mailed may be, at any time, changed by designating such new address and giving notice thereof in writing in the manner as herein provided.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in triplicate in their respective corporate names and their corporate seals affixed by their duly authorized officers on the day and year first above written.

ATTEST:

TALQUIN ELECTRIC COOPERATIVE, INC.

nne

Secretary

(SEAL)

PROGRESS ENERGY FLORIDA, INC.

ATTEST:

Assistant Secretary

(SEAL)

LEGAL DEPT.

APPROVED

Date 3/16/04

By A. Glenn

TAM

## Composite Exhibit A

# TERRITORIAL BOUNDARY LINE DESCRIPTION AND MAPS

### COMPOSITE EXHIBIT A

## TERRITORY BOUNDARY LINES METES & BOUNDS LEGAL DESCRIPTION

#### WEST BOUNDARY LINE

Beginning at a point of the west boundary line of Wakulla County, said point being where the section line between Sections 13 and 24, Township 5S, Range 4W, intersects the middle of the Ochlockonee River.

Thence east along said section line to the SE corner of Section 17, Township 5S, Range 3W.

Thence north to the NW corner of Section 9, Township 3S, Range 3W.

Thence east to the NE corner of Section 7, Township 3S, Range 2W.

Thence south to the SE corner of Section 7, Township 3S, Range 2W.

Thence east to the NE corner of Section 17, Township 3S, Range 2W.

Thence south to the SE corner of Section 17, Township 3S, Range 2W.

Thence east to the NE corner of Section 24, Township 3S, Range 2W.

Thence south approximately 2.5 miles to a point on the east boundary of Section 36, Township 3S, Range 2W, said point being on the centerline of Brentwood Lane and Dogwood Drive as extended northeasterly to its intersection with State Road 369.

Thence northeasterly approximately 0.9 mile along the centerline of Dogwood Drive, as extended, to the NE corner of Lot 77, Hartsfield Survey, Township 3S, Range 1 W.

Thence, southeasterly to the SE corner of Lot 78, Hartsfield Survey, Township 4S, Range 1W.

Thence, southwesterly to the SW corner of Lot 78, Township 4S, Range 1W.

Thence, southeasterly to the NE corner of an unrecorded subdivision known as Swirl Acres, located in the SE quarter of Lot 87, Hartsfield Survey,

Township 3S, Range 1W of Wakulla County.

Thence southwesterly along the north boundary of Swirl Acres Subdivision to a point being the NW corner of said subdivision.

Thence southeasterly along the west boundary of said subdivision to a point lying on the north boundary of Lot 86, also being the south boundary of Lot 87 and the SW corner of said subdivision.

Thence southwesterly along the south boundary of Lot 87 to the NW corner of Wildwood Acres Subdivision. Thence southwesterly along the boundary of Lot 87, Hartsfield Survey, Township 4S, Range 1W, approximately 660 feet. Thence southeasterly to the NE property corner of the Wakulla Middle School. Thence southwesterly to a point 780 feet to the NW property corner of said school. Thence southeasterly 800 feet to a point on the north boundary line of Lot 90. Thence northeasterly along the north boundary line of Lot 90 for approximately 780 feet to the NW corner of Lot 85 (encompassing the 14.70 acre middle school site).

Thence southeasterly along the west boundary line of Lot 85 to a point 300 feet north of the center line of State Road 30. Thence northeasterly 300 feet to a point. Thence southeasterly 300 feet to the center line of State Road 30. Thence northeasterly along the center line of State Road 30 approximately 600 feet to the NE corner of an unrecorded subdivision known as Unit 1, Casora Estates. Thence southeasterly along the east boundary of said subdivision to the north boundary line of Lot 84. Thence southwesterly along the north boundary line of Lot 84 to the NW corner of said Lot 84. Thence southeasterly along the west boundary lines of Lots 84, 93, 103 and 113 of the Hartsfield Survey in Townships 4 and 5 South, Range 1 West, to the point where Old Creek flows into Oyster Bay crossing the west boundary line of said Lot 113.

Thence southeasterly along the middle of said creek into Oyster Bay. Thence south and southeasterly between Piney Island and Palmetto Island into Apalachee Bay.

#### EAST BOUNDARY LINE

Beginning at a point 300 feet north of the point where the north edge of the right of way for State Road 10 (U.S. Highway 90) crosses the boundary line of Leon and Jefferson Counties in Section 36, Township 2N, Range 3E.

Thence westerly along a line parallel to and 300 feet north of the north edge of the right of way for State Road 10 (U.S. Highway 90) to the west boundary of Section 34, Township 2N, Range 3E.

Thence south along the west boundary of Section 34, Township 2N, Range 3E to State Road 10 (U.S. Highway 90).

Thence south along the centerline of State Road 59 to a point 500 feet south of the south right of way boundary for State Road 10 (U.S. Highway 90).

Thence southwesterly along a line running 500 feet south of and parallel to the south right of way boundary for State Road 10 (U.S. Highway 90) to the Leon County boundary line. Said Leon County boundary line being the east boundary line of Section 5, Township 1N, Range 3E.

Thence south and southwesterly along the boundary line between Leon and Jefferson Counties to the southeast corner of Section 25, Township 2S, Range 2E, of Leon County.

Thence west along the boundary line between Leon and Wakulla Counties to the centerline of the St Marks Trail, formerly the Seaboard Air Line Railroad, right of way to the SW corner of the Leon and Wakulla County boundary line.

Thence southeasterly along the centerline of said St Marks Trail approximately 1.5 miles to the point where said St Marks Trail intersects the east-west centerline being the ½ section line of Section 4, Township 3S, Range 1E.

Thence west to a point along the east-west centerline being the ½ section line of Section 3, Township 3S, Range 1W, said point being 300 feet west of the west right of way boundary for County Road 61.

Thence south and southeasterly along a line running 300 feet west of and parallel to the west right of way boundary for County Road 61, approximately 2.1 miles to the point in the East ½ of Section 14, Township 3S, Range 1W, where County Road 61 and Wakulla Springs Cutoff Road intersect; thence southeasterly 300 feet west of and parallel to the west right of way boundary of the Wakulla Springs Cutoff Road to the intersection of County Road 365.

Thence southeasterly along a line running 300 feet west of and parallel to the boundary line separating the two unnumbered lots referred to as RS1 and 300 feet west of and parallel to the west boundary line of Lots 21, 20, 19, 18, 17, 16, 15, 14, 13 and 12 of the Hartsfield Survey to a point on the east-west centerline of Lot 110 of the Hartsfield Survey in Township 4S, Range 1E.

Thence southwesterly along the east-west centerline of Lot 110 of the Hartsfield Survey to the middle of Gander Creek located in Lot 110 of the Hartsfield Survey.

Thence southerly along the middle of Gander Creek to the point where it flows into Goose Bay thence into Apalachee Bay.

## STATE OF FLORIDA



Division of the Commission Clerk & Administrative Services
BLANCA S. BAYÓ
DIRECTOR

# Hublic Service Commission

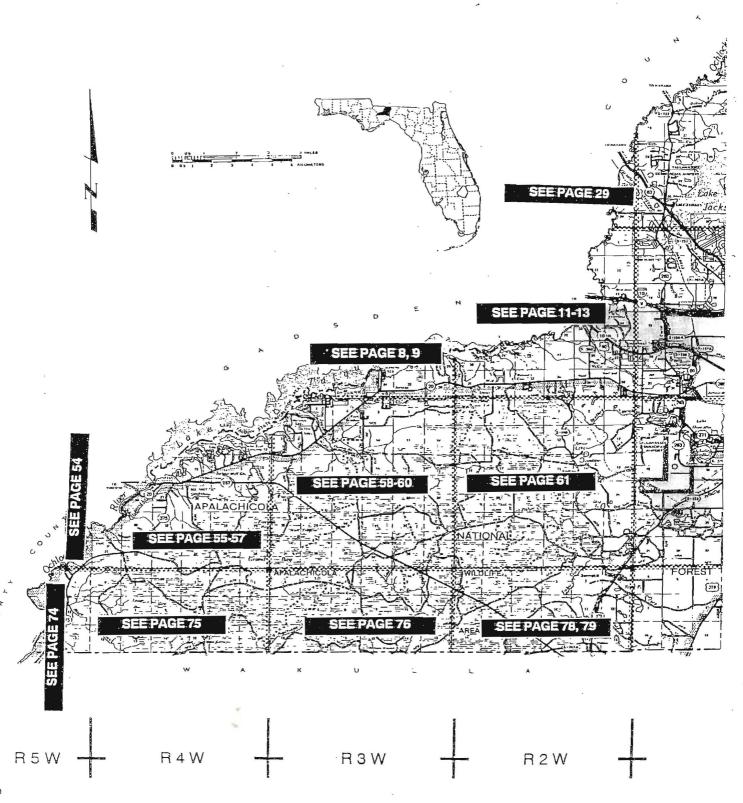
# MAPS/DÍAGRAMS

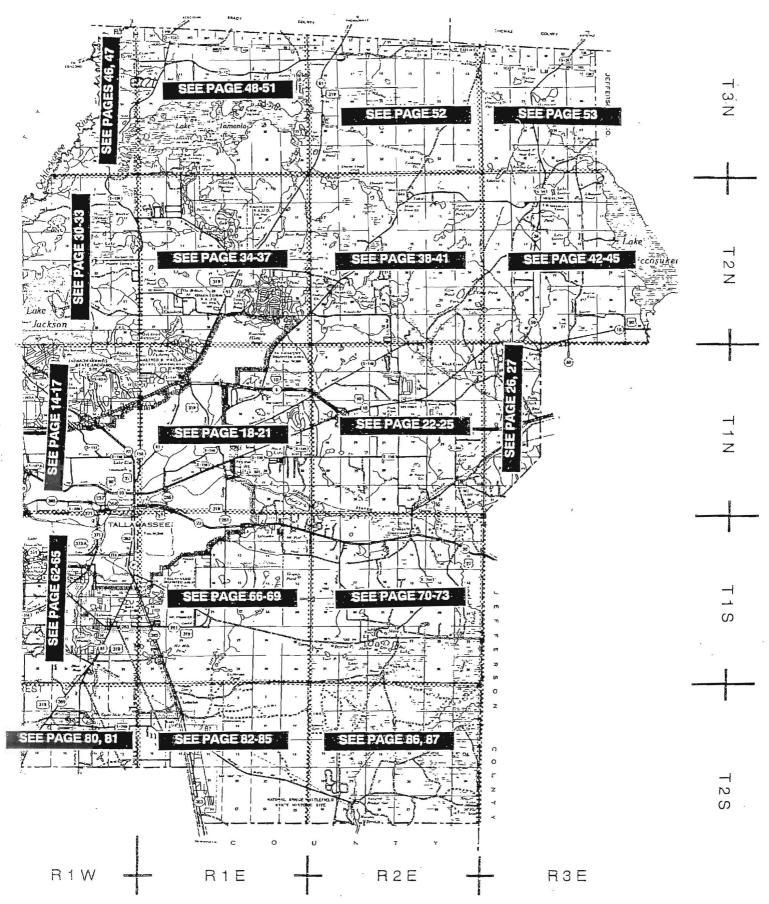
**DOCKET NO.:** 040231 - EU

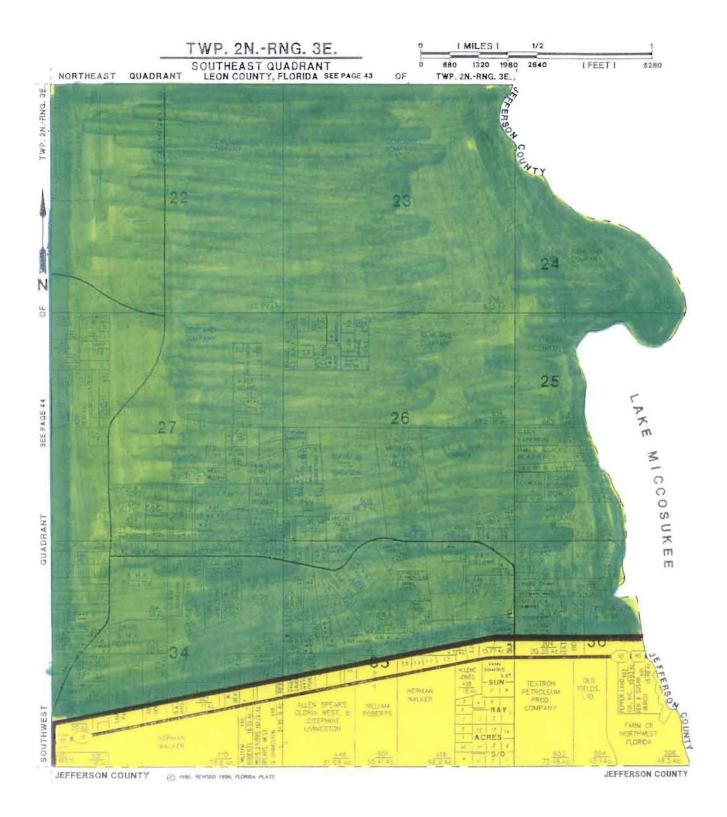
**DOCUMENT NO.:** 03522-04

DOCUMENT DESCRIPTION: (Example: page 5 of pdf file.)
General Highway Map Wakulla County Territorial
Agreement and General Highway Map Leon
County Territorial Agreement [CLK Note: Map
forwarded to Staff.]

# LEON COUNTY



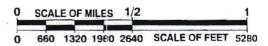


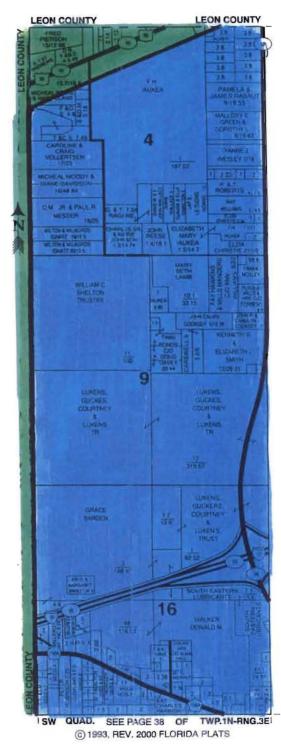




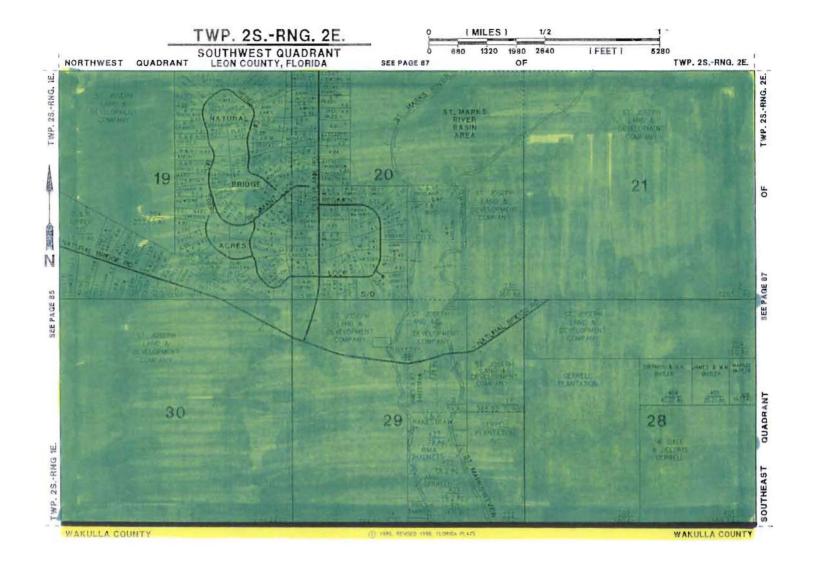
## TWP.1N-RNG.3E

NORTHWEST QUADRANT JEFFERSON COUNTY, FLORIDA







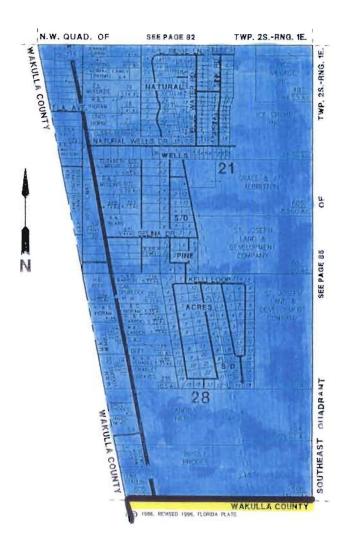




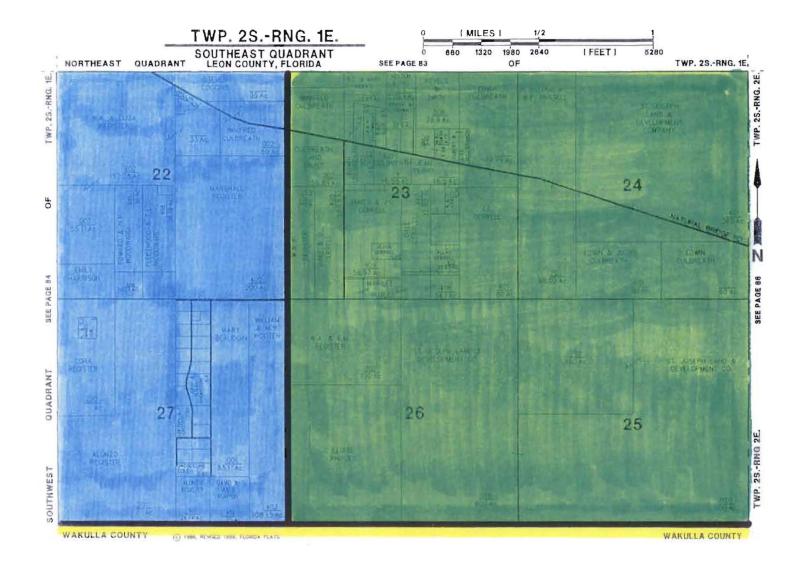
## TWP. 2S.-RNG. 1E.

SOUTHWEST QUADRANT LEON COUNTY, FLORIDA

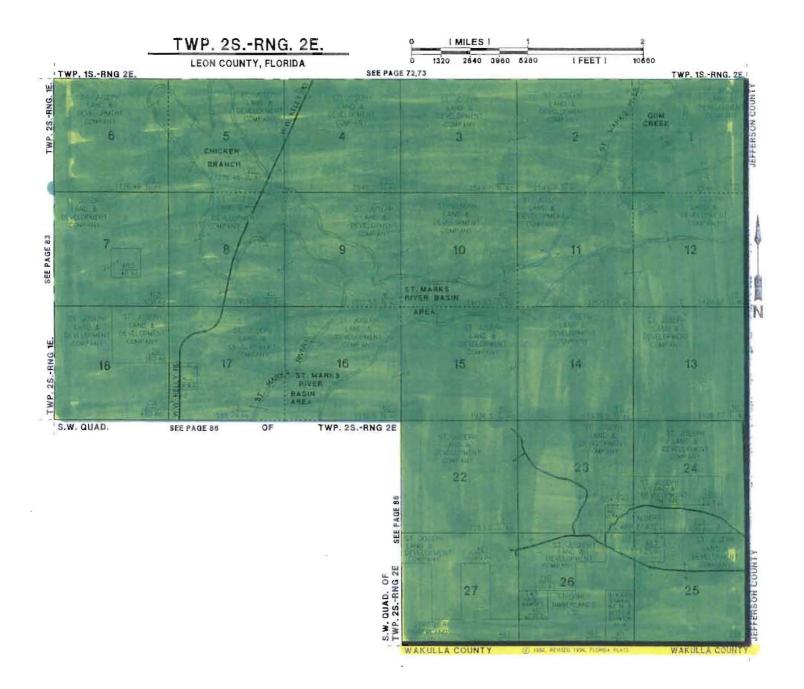
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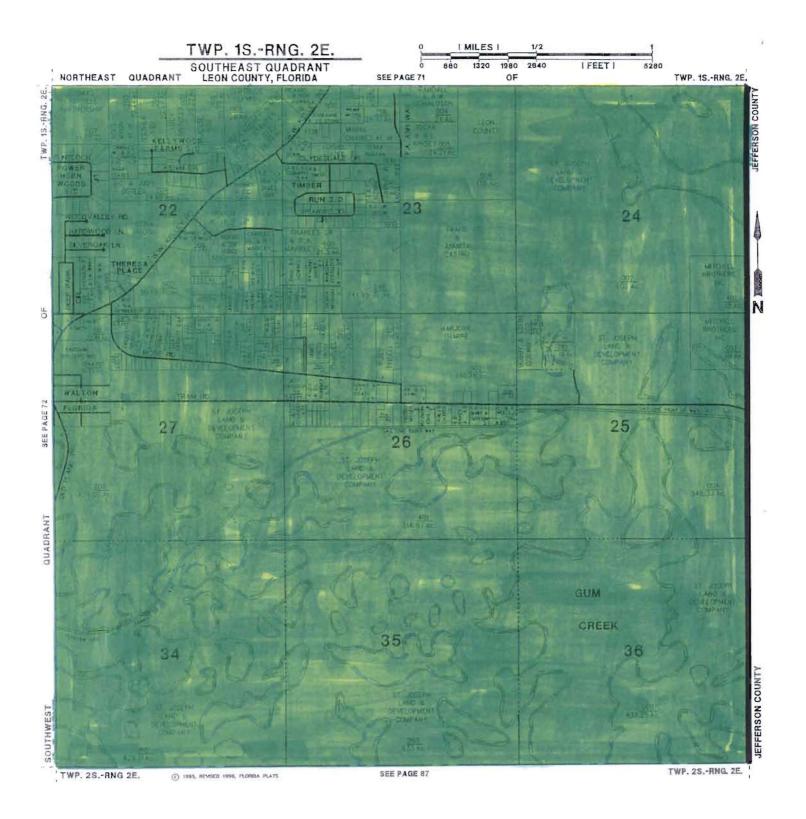




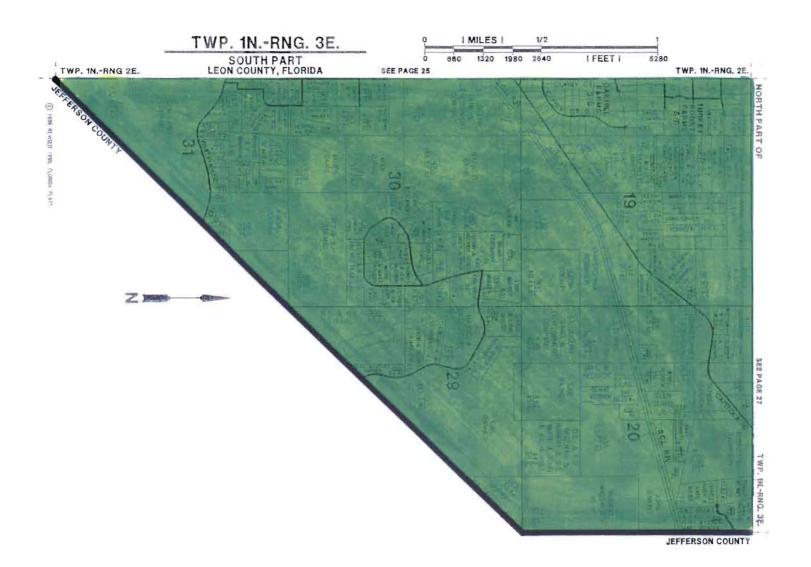


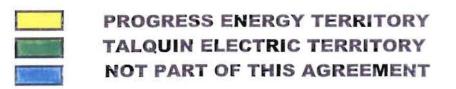


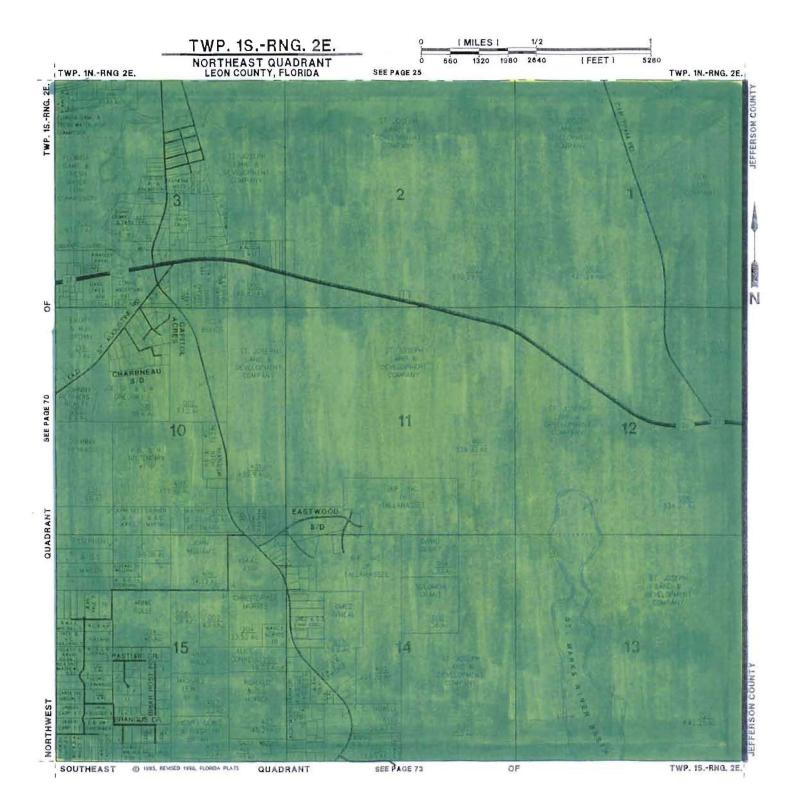




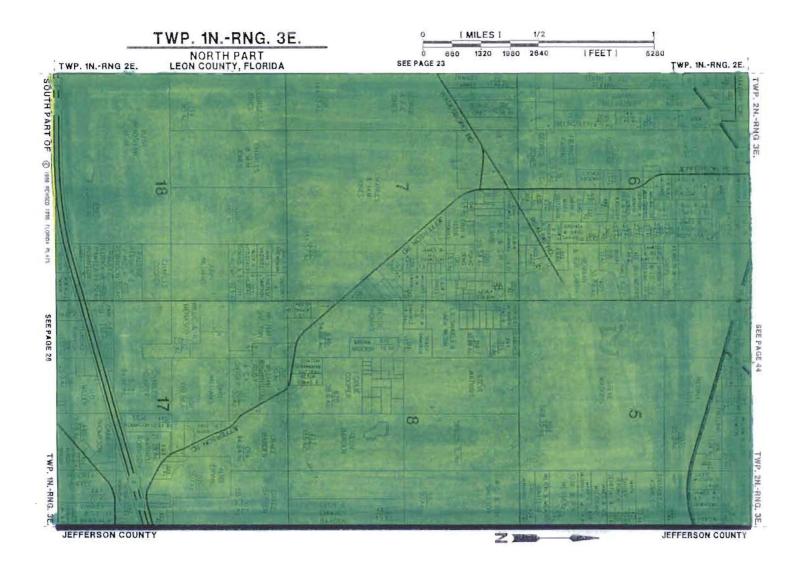


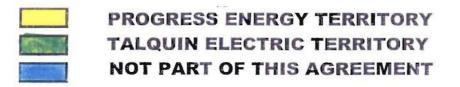






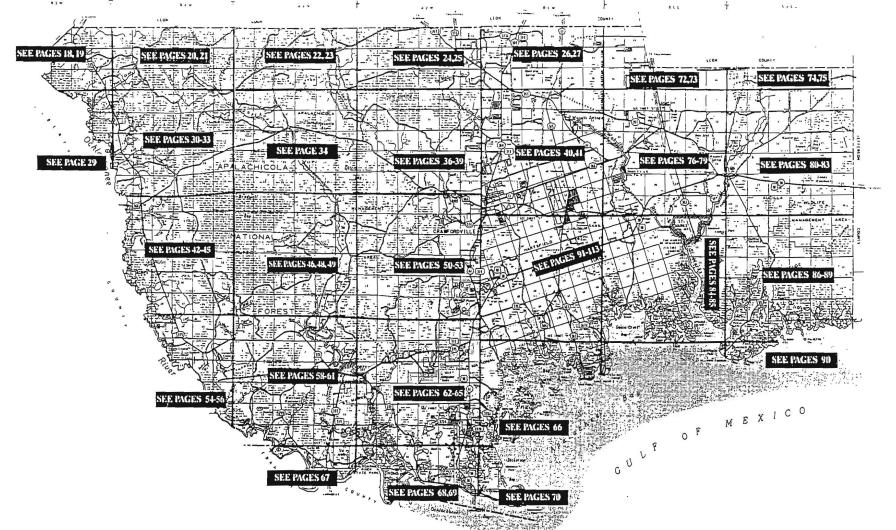






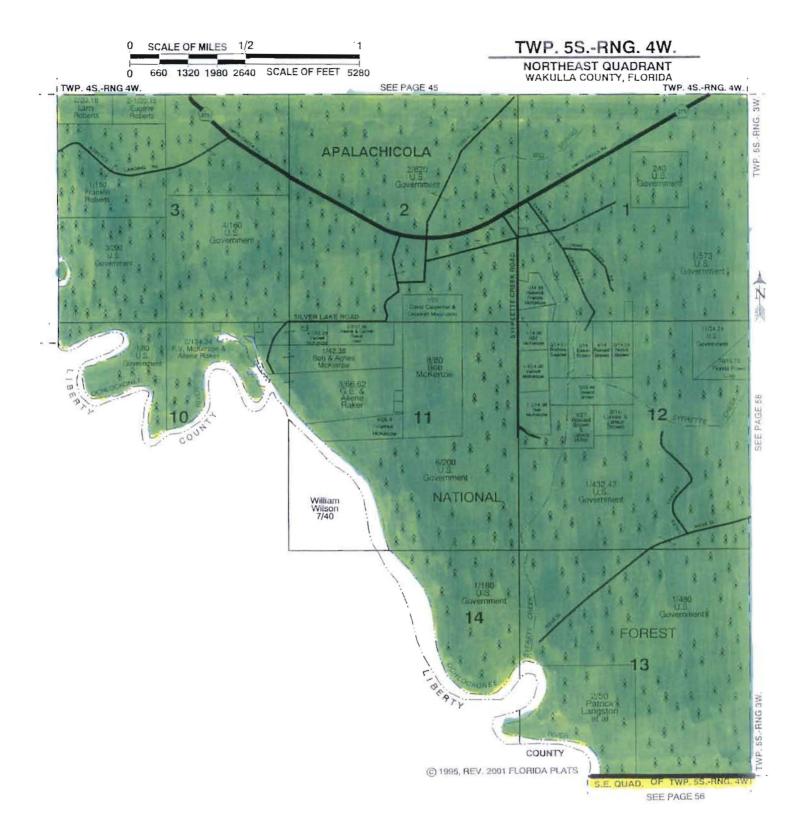


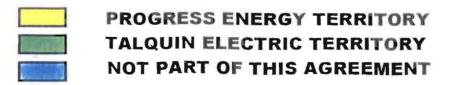




# WAKULLA COUNTY

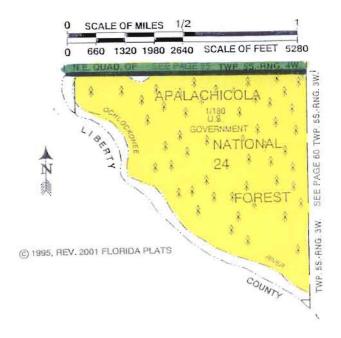




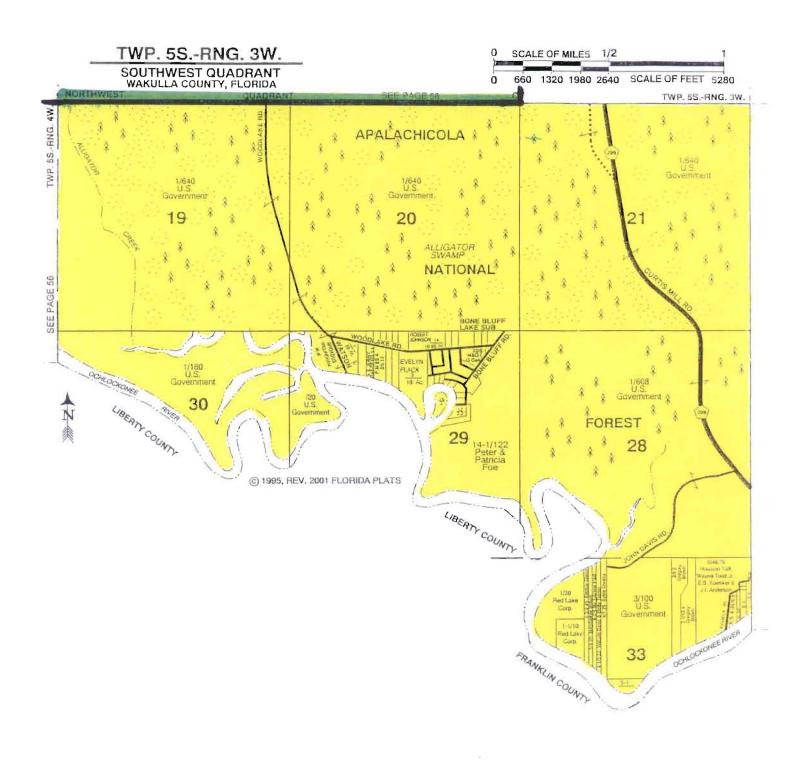


#### TWP. 5S.-RNG. 4W.

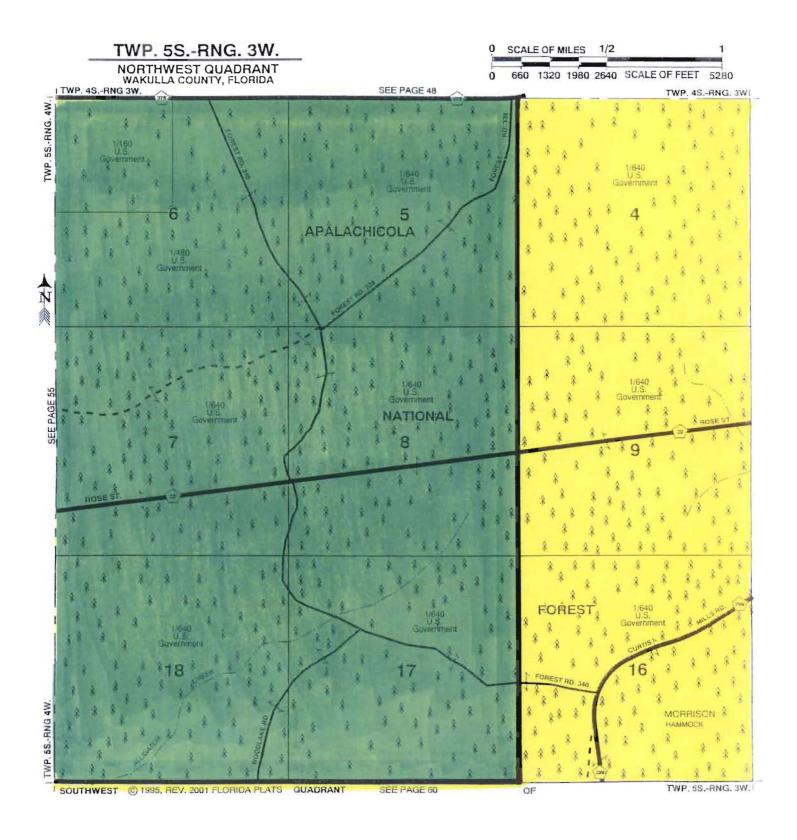
SOUTHEAST QUADRANT WAKULLA COUNTY, FLORIDA













# TWP. 4S.-RNG. 3W. NORTH PART WAKULLA COUNTY, FLORIDA SEE PAGE 34 TWP. 3S.-RNG. 3W. TWP. 3S.-RNG. 3W. TWP. 3S.-RNG. 3W. SEE PAGE 34 TWP. 3S.-RNG. 3W. TWP. 3S.

SOUTHEAST QUADRANT OF

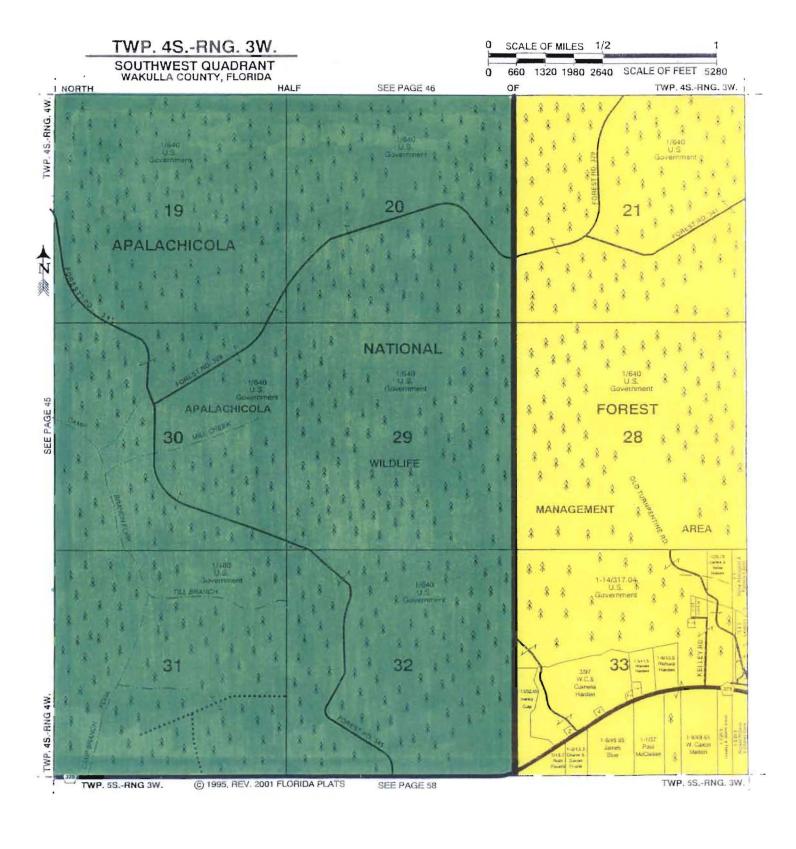
SEE PAGE 49

TWP. 4S.-RNG. 3W.

SOUTHWEST QUADRANT OF

SEE PAGE 48

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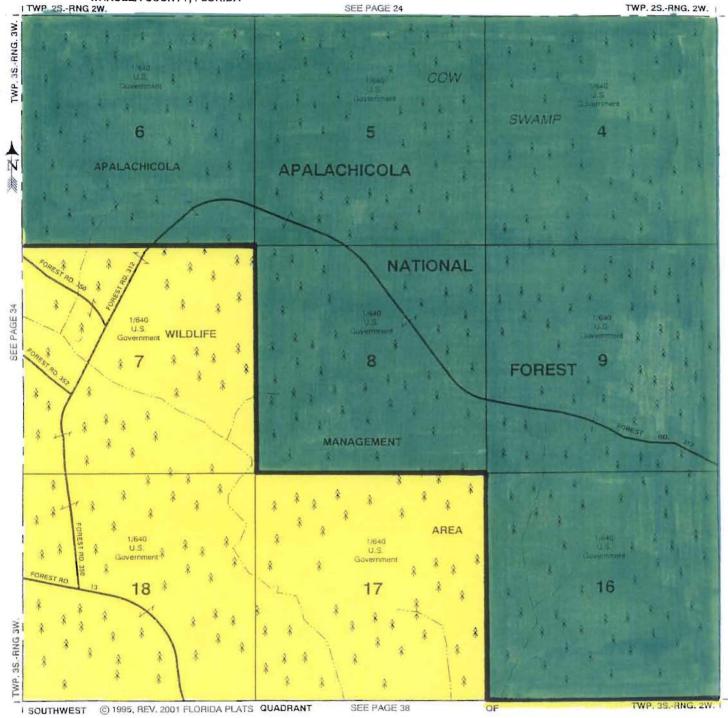




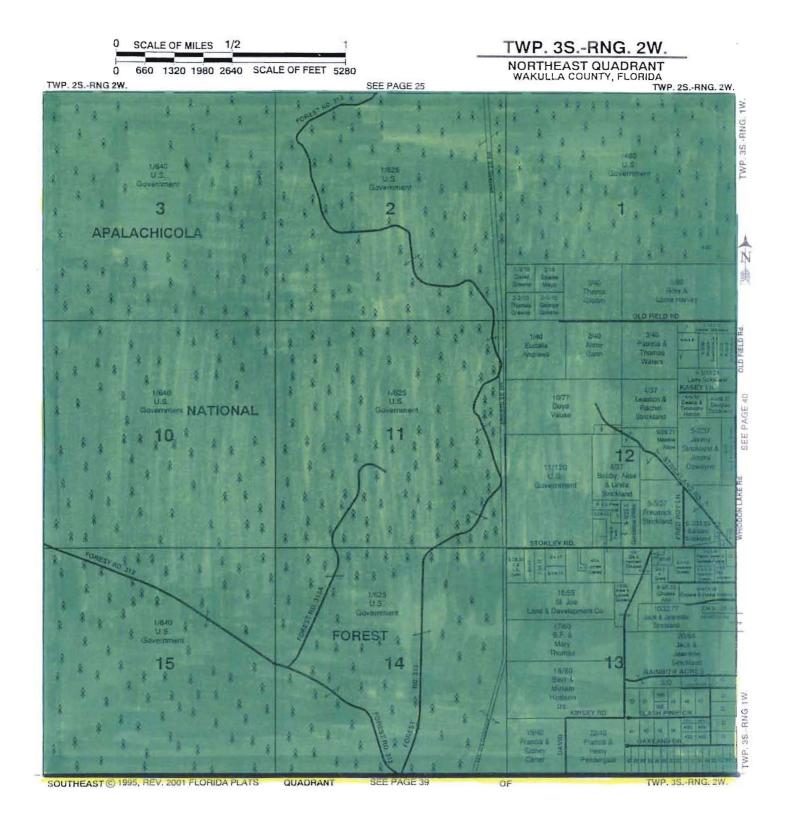
TWP. 3S.-RNG. 2W.

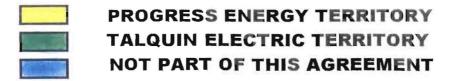
NORTHWEST QUADRANT
WAKULLA COUNTY, FLORIDA
TWP. 2S.-RNG 2W.

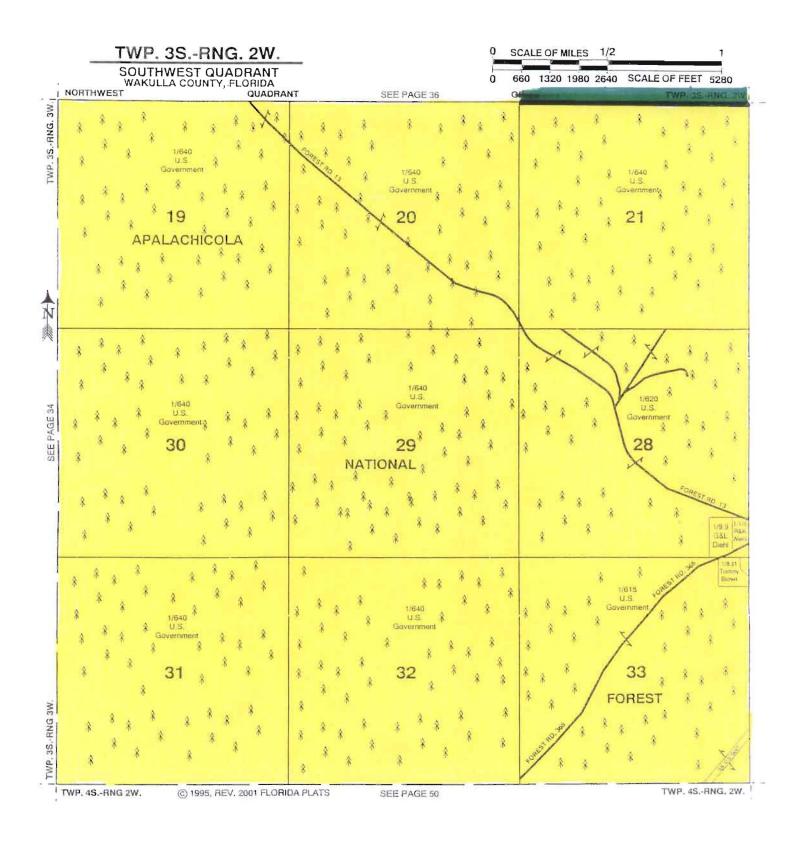
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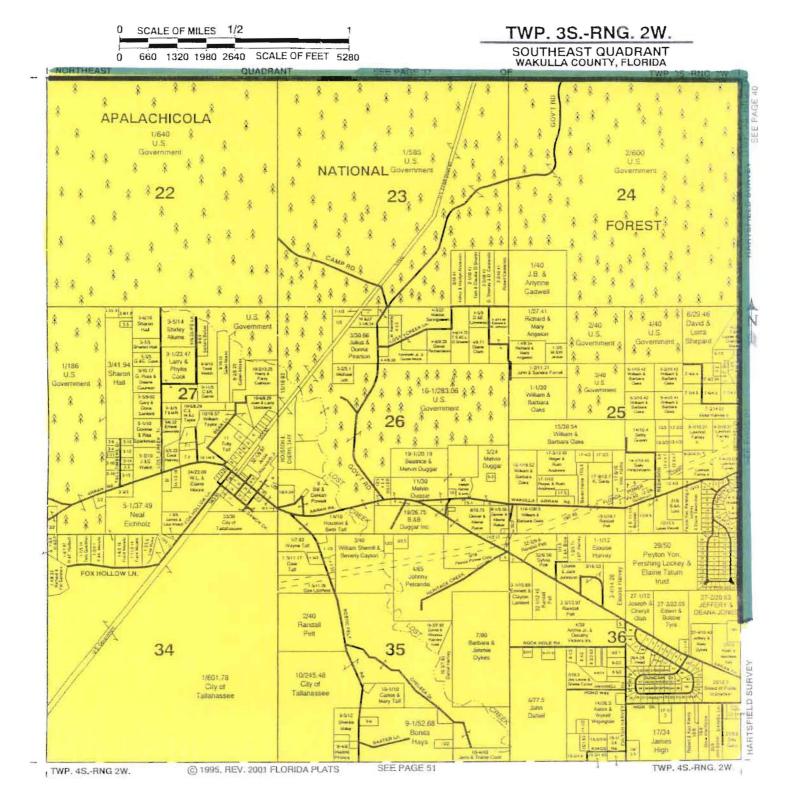




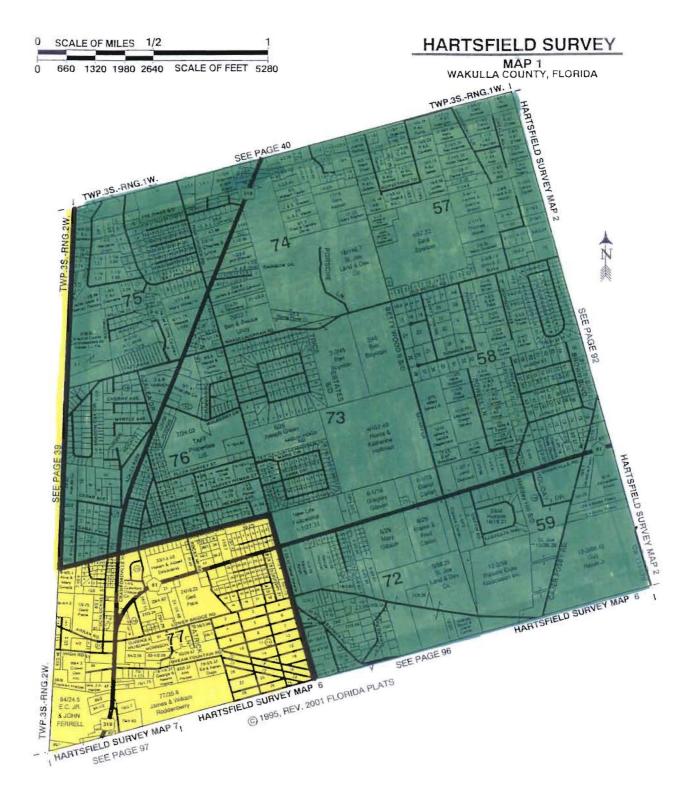






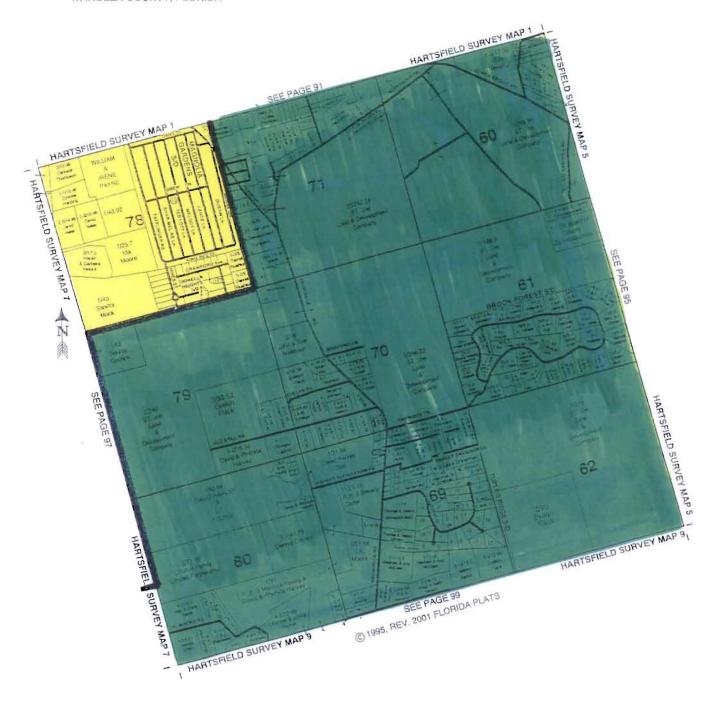








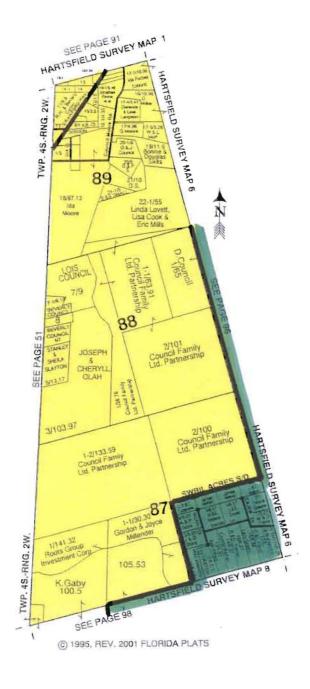
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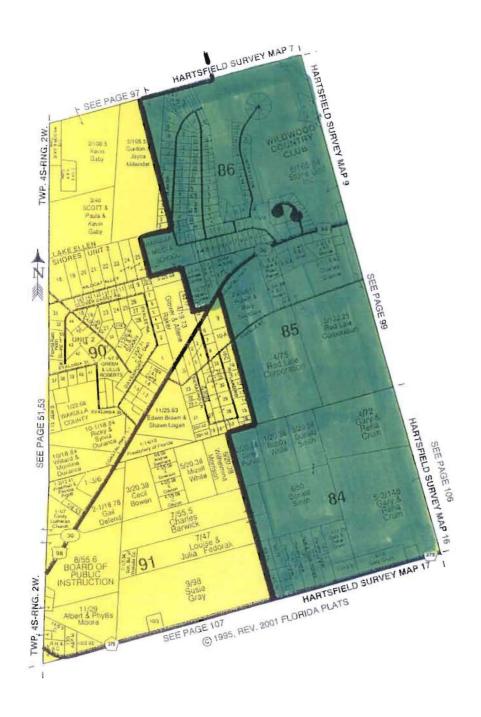


#### HARTSFIELD SURVEY

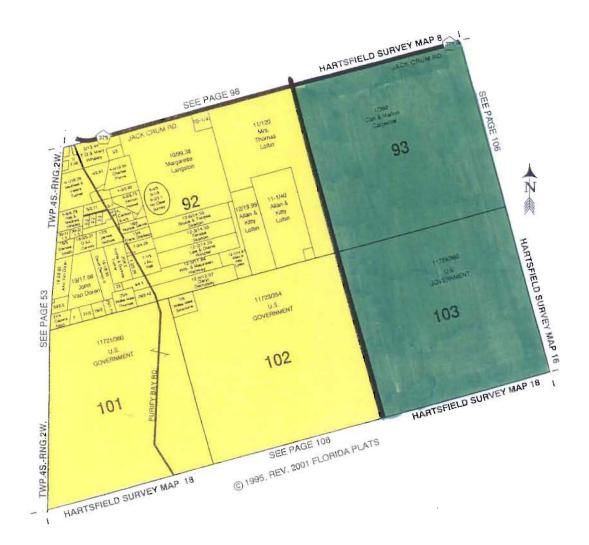
MAP 7 WAKULLA COUNTY, FLORIDA



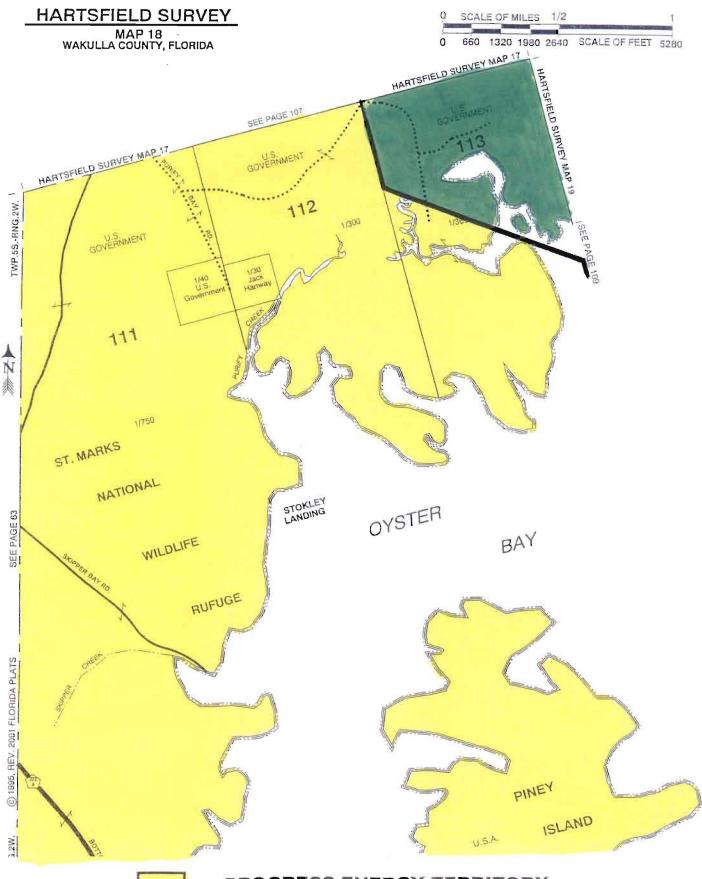










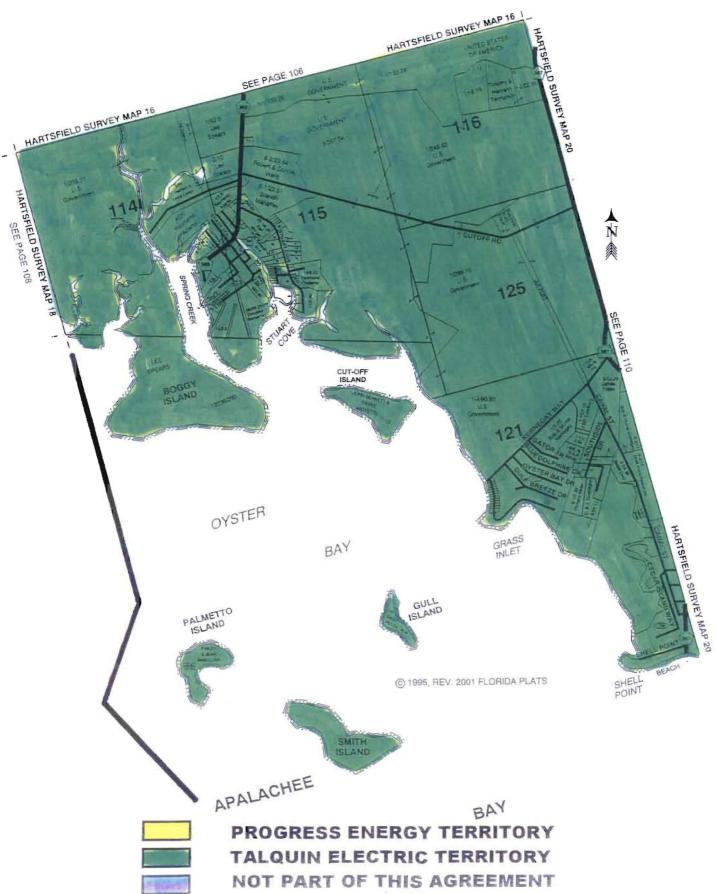






#### HARTSFIELD SURVEY

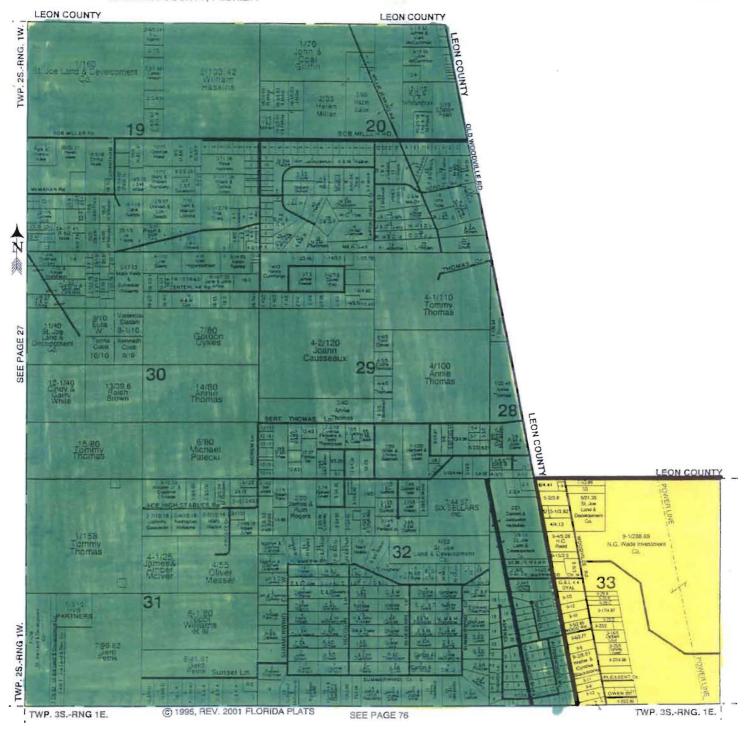
MAP 19 WAKULLA COUNTY, FLORIDA



#### TWP. 2S.-RNG. 1E.

WEST PART WAKULLA COUNTY, FLORIDA







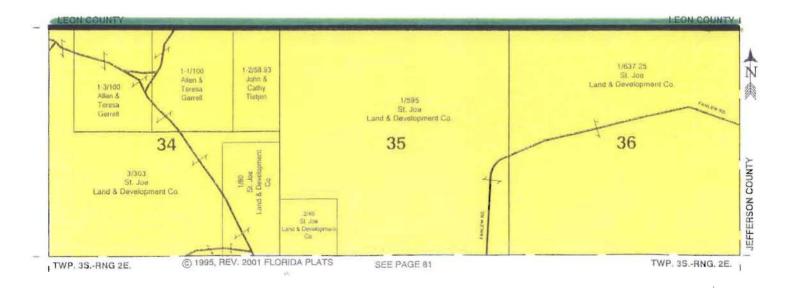


TWP. 2S.-RNG. 1E.

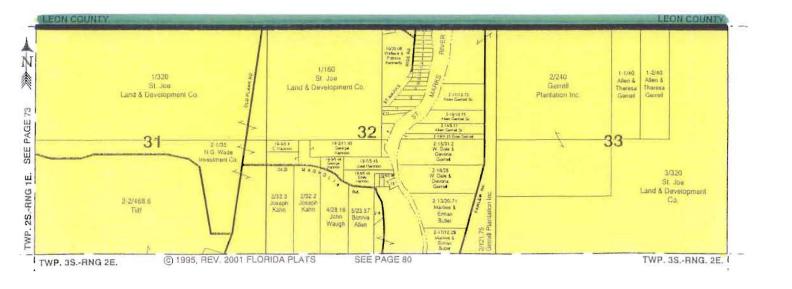
EAST PART
WAKULLA COUNTY, FLORIDA







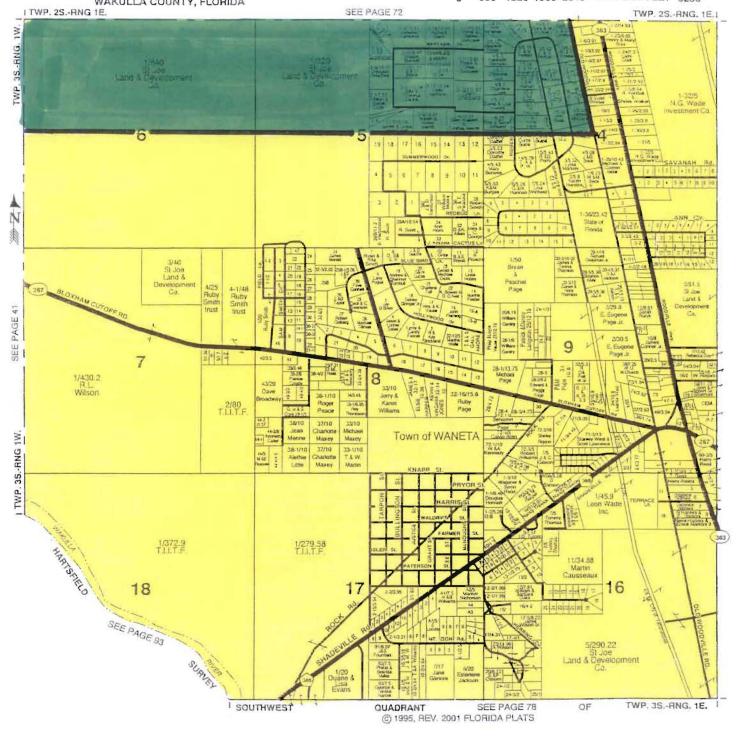




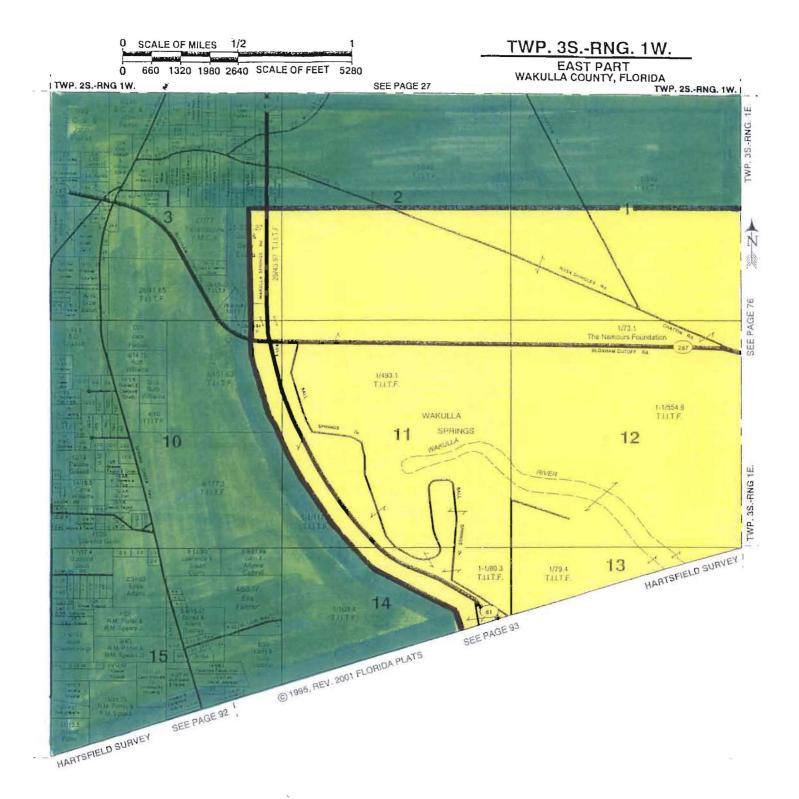


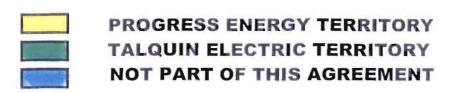
# TWP. 3S.-RNG. 1E. NORTHWEST QUADRANT WAKULLA COUNTY, FLORIDA

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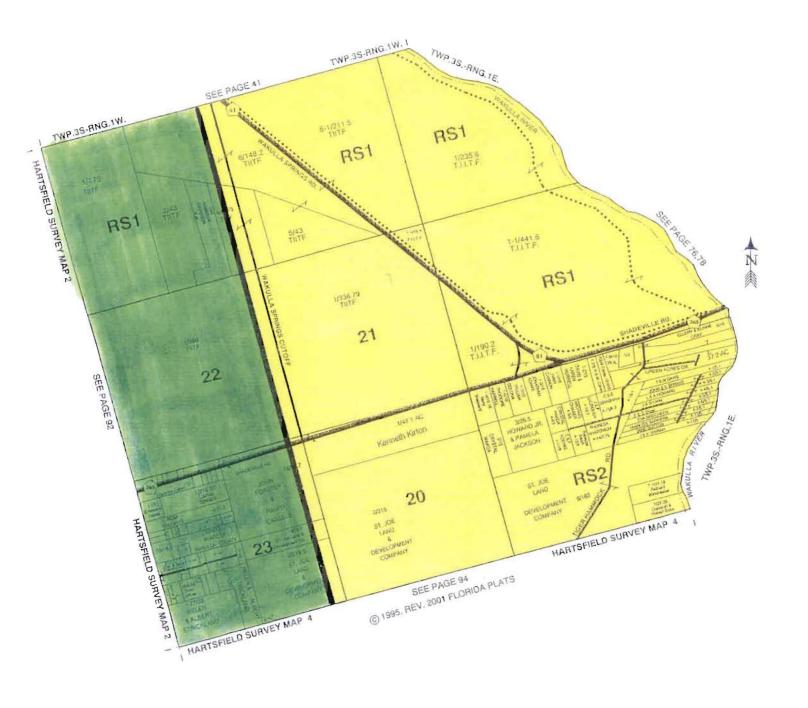






#### HARTSFIELD SURVEY

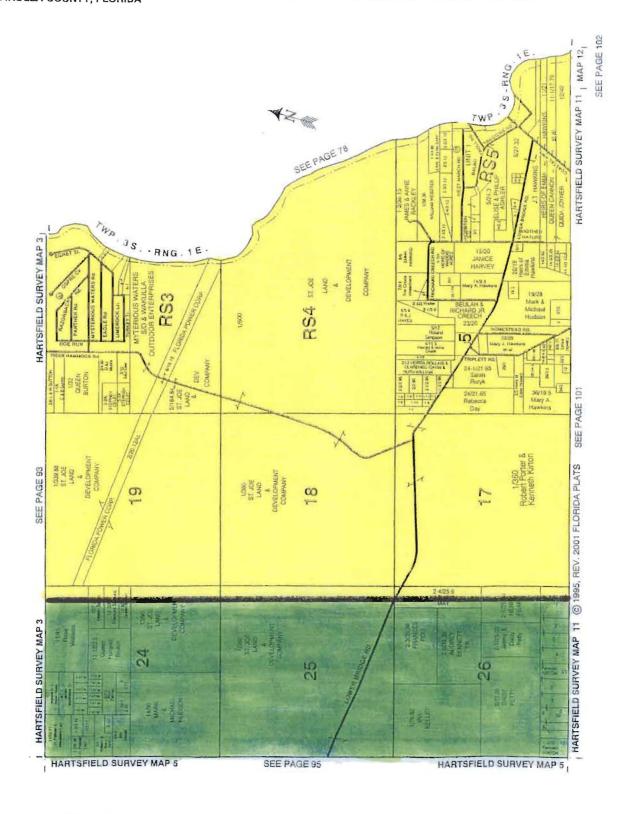
MAP 3 WAKULLA COUNTY, FLORIDA





# MARTSFIELD SURVEY MAP 4 WAKULLA COUNTY, FLORIDA

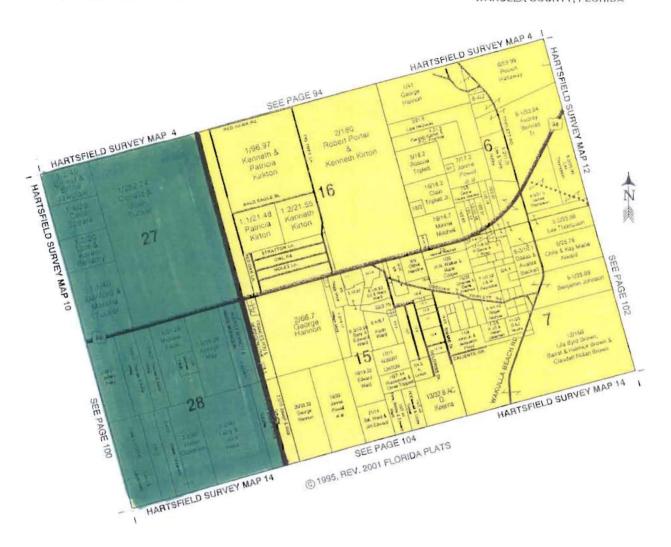
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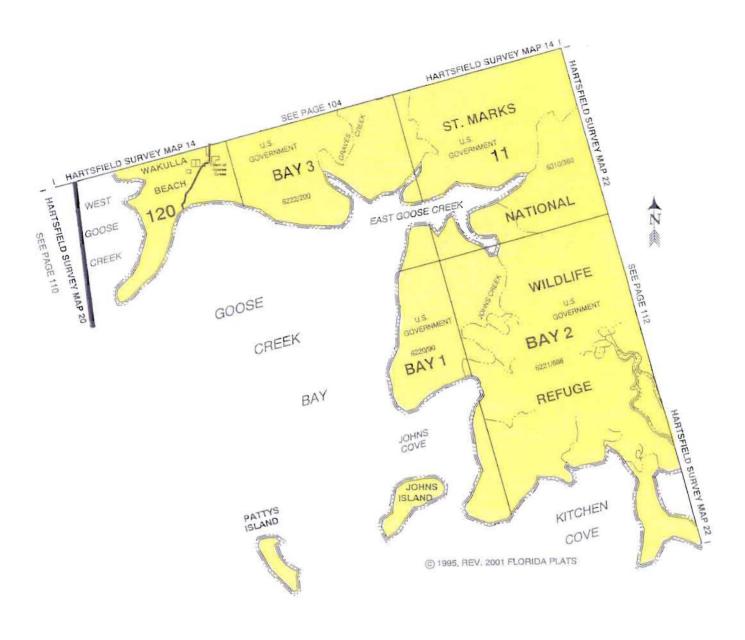
# MAP 11 WAKULLA COUNTY, FLORIDA





#### HARTSFIELD SURVEY

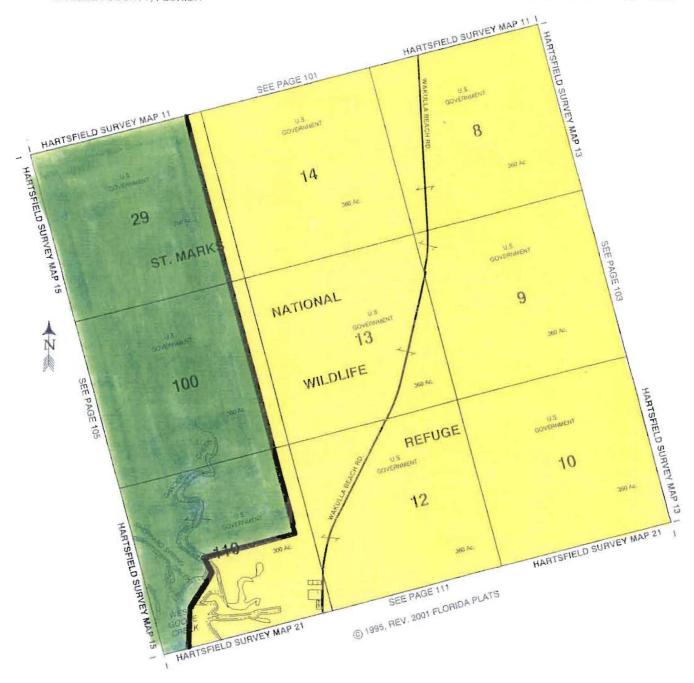
MAP 21 WAKULLA COUNTY, FLORIDA





# MAP 14 WAKULLA COUNTY, FLORIDA

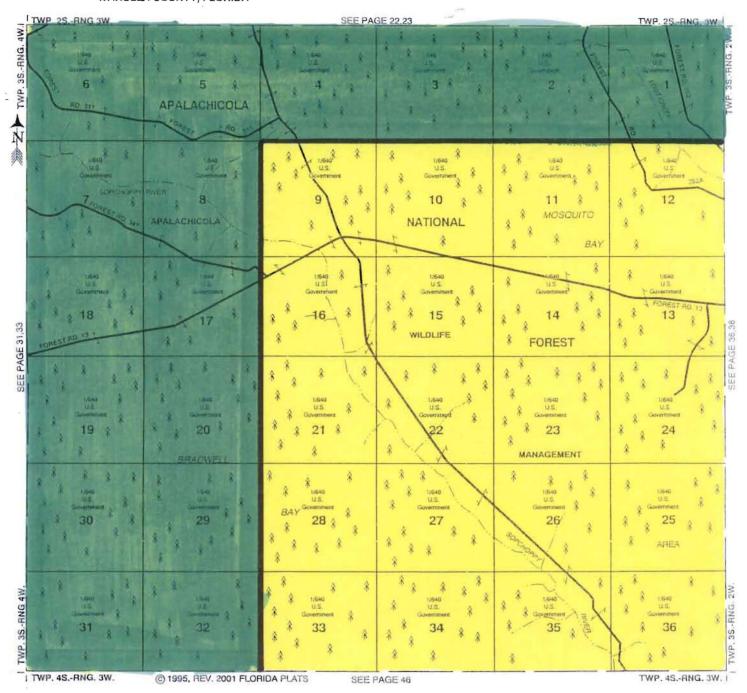
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### TWP. 3S.-RNG. 3W. WAKULLA COUNTY, FLORIDA







#### Exhibit B

EXTRA-TERRITORIAL CUSTOMERS SERVED
BY TALQUIN ELECTRIC COOPERATIVE

# Extra-Territorial Customers of Talquin Electric eligible to be transferred to Progress Energy

NAME	ID#	METER#	POLE #	PREMISE ADDRESS .
Joseph Williams	768-586-1606	46-378-206	A2-11-12-F16R1F	43 Mount Zion Rd., Crawfordville, FL 32327
Gordon Millender	473-386-4955	022-119-360	C0-96-F	621 Sopchoppy Hwy., Crawfordville, FL 32327
Beatrice Farmer (Ed)	218-298-0868	043-455-924	A2-78-9	45 Rocky Mount Rd., Crawfordville, FL 32327
Mrs. Thomas D. Head	314-883-0858	053-866-477	A2-78-24-13-2-1	237 Arran Rd., Crawfordville, FL 32327
Jack C. Johnson	370-611-8530	026-303-696	A2-78-24-15-2	26 John Vickers Rd., Crawfordville, FL 32327
E. O. Harvey	306-327-3803	056-972-250	A2-78-34	85 Harvey Mill Rd., Crawfordville, FL 32327
Carolyn Pelt (Harry)	535-977-7777	056-972-341	A2-78-46-9-2	12 Cypress Pond Rd., Crawfordville, FL 32327
G. Richard Pelt	536-162-6459	067-886-016	A2-78-46-9-2	11 Cypress Pond Rd., Crawfordville, FL 32327
Donald R. Pelt	536-041-4451	077-350-820	A2-78-46-10	447 Bostic Pelt Rd., Crawfordville, FL 32327
Debra Pelt (Cager)	535-995-8294	044-393-092	A2-78-46-11	414 Bostic Pelt Rd., Crawfordville, FL 32327
Callie Quigg	562-662-6351	053-866-626	A2-78-82-3-F	60 Mathers Farm Rd., Crawfordville, FL 32327
Sarah S Whaley	750-434-3687	047-963-608	A2-78-88 <b>-</b> F	18 Shawn Whaley Rd., Crawfordville, FL 32327
Emmett W. Whaley	750-124-4458	077-861-665	A2-78-88-1-F	1016 Lawhon Mill Rd., Crawfordville, FL 32327
J. M. Futch	243-356-8918	049-319-413	A2-78-88-12-F	742 Lawhon Mill Rd., Crawfordville, FL 32327
Eula Mathers	443-796-1958	043-718-889	A2-78-90-5-F	52 Horace Trail, Crawfordville, FL 32327
Frank Mathers	443-924-8453	047-427-923	A2-78-90-7 <b>-</b> F	24 Horace Trail, Crawfordville, FL 32327
Elmo F. White	753-276-4102	041-220-129	A2-78-1-8-F	1618 Lawhon Mill Rd., Crawfordville, FL 32327
Elmo F. White, Jr	753-276-7857	061-669-887	A2-78-1-9-F	1636 Lawhon Mill Rd., Crawfordville, FL 32327
Wakulla C. White	755-536-5845	055-929-493	A2-78-1-9-F	1648 Lawhon Mill Rd., Crawfordville, FL 32327
Marjorie S. Gray (W.F.)	271-526-3055	047-978-002	A2-78-1-29-1-F	559 Floyd Gray Rd., Crawfordville, FL 32327
William M. Payne	531-538-3959	049-331-853	A2-78-1-31-F	203 Friendship Rd., Crawfordville, FL 32327
Florida White (R. L.)	753-280-6010	047-986-446	A2-78-1-32-1-F	20 White Dr., Crawfordville, FL 32327
Friendship Baptist Church	240-971-0205	056-239-886	A2-78-1 <b>-</b> 33-F	165 Friendship Rd., Crawfordville, FL 32327
Albert R. Hanke, Jr	294-074-9795	036-518-879	E2-3-11-F	231 NT Smith Rd., Sopchoppy, FL 32358
Monroe Thompson	710-176-8708	042-193-138	E2-17-F	1888 Curtis Mill Rd., Sopchoppy, FL 32358

# EXTRA-TERRITORIAL CUSTOMERS SERVED BY PROGRESS ENERGY FLORIDA

# Extra-Territorial Customers of Progress Energy to be transferred to Talquin Electric

NAME	ID#	METER#	PREMISE ADDRESS .
Kristin B. Smythe	19448-41615	5330231	395 J.K. Moore Rd., Crawfordville, FL 32327
Kristin B. Smythe	65647-24158	5440614	395 J.K. Moore Rd., Crawfordville, FL 32327
L. Robert Tuzenew	19446-97608	3197213	46 Noah Court, Crawfordville, FL 32327
Delbert G. Story	19454-17659	5330179	10 Noah Court, Crawfordville, FL 32327
Patricia Story	34801-75525	5358900	22 Noah Court, Crawfordville, FL 32327
Malcom Rudd	49832-24213	1190327	26 Noah Court, Crawfordville, FL 32327
Amy D. Lalonde	49550-89400	1305764	4 Noah Court, Crawfordville, FL 32327
Simone C. Doyle	56167-64067	1283312	12 Cager Court, Crawfordville, FL 32327
James L. Melvin	97059-08200	7154201	25 Cager Court, Crawfordville, FL 32327
Tyrone Greene	19449-85621	898869	9 Cager Court, Crawfordville, FL 32327
Jerry D. Laxton	19455-61661	1045959	2 Noah Court, Crawfordville, FL 32327
Robert Tillman	90450-92116	490491	21 Swirl Lane, Crawfordville, FL 32327
Crystal Barber	91456-67366	1295907	39 Swirl Lane, Crawfordville, FL 32327
Ann R. Alford	45155-19494	1142267	57 Swirl Lane Crawfordville, FL 32328
Clifton F. Floyd	03145-21161	9105042	411 J.K. Moore Rd., Crawfordville, FL 32327
Caleb M. Crum	85538-80101	5350860	421 J.K. Moore Rd., Crawfordville, FL 32327
*Vaiden Smalley	54771-32349	5015599	140 Crawfordville, Jackson Bluff, Crawfordville, FL 32327

<sup>\*(</sup>Previously referenced as ID #351135000022 and Meter #3002233)

#### ATTACHMENT 2

SAMPLE NOTIFICATION LETTER TO EXTRA-TERRITORIAL CUSTOMERS



[date]

To ensure that electric utilities in Florida, such as Progress Energy Florida (PEF), are able to provide reliable and economical electric service to their customers, utilities enter into agreements with one another establishing the geographical areas in which each utility is the exclusive provider of electric service. Utilities enter into these territorial agreements in an effort to avoid the unnecessary and uneconomic construction of duplicate electrical distribution lines and other facilities to serve their customers. Approval of the Florida Public Service Commission is required to ensure these objectives are met.

Over the past many years, we at PEF (formerly known as Florida Power) have had the pleasure of serving customers in your area because of territorial agreements approved by the FPSC in 1977 and 1988 between our company and our neighboring utility, Talquin Electric Cooperative (TEC). Because of the 1988 agreement's expiration, we have entered into a new territorial agreement with TEC that will revise some of the service area boundaries between the utilities and enable each utility to serve its customers more reliably and economically. The new agreement must be approved by the FPSC before it can become effective and you will have the opportunity to provide your comments to the Commission before making its decision. If you wish, we will provide the pertinent contact information when the territorial agreement has been filed and docketed with the FPSC.

If approved by the FPSC, the terms of the new territorial agreement call on TEC to provide electric service in your area. Your account would be transferred to TEC as soon as practicable after approval of the agreement. While we regret losing the opportunity to serve you and your neighbors in the future, TEC is an excellent utility and I am confident you will find their service to be satisfactory.

You will not need to do anything to initiate this transfer since PEF and TEC will handle all of the arrangements on your behalf. If you have a deposit with Progress Energy, your deposit will be refunded directly to you. You should not experience any significant disruption of service as a result of this transfer and you will be notified in the event that a minimal interruption of service is required.

• Page 2 [date]

To provide you a rate comparison, in February, 2004 the residential rate of PEF for 1,000 kiloWatt-hours (kWh) was \$86.88. For the same month, the residential rate of TEC for 1,000 kWh was \$86.00. The rates of both utilities are subject to periodic change and may be raised or lowered in the future.

Please let me know if you have any questions or concerns about the proposed transfer of your service to TEC, or if you would like information about contacting the FPSC. You can reach me by phone at 850-343-2248, or at the address shown above.

Sincerely,

Tom Tuckey
Customer Service Manager
Progress Energy Florida

cc: Mr. Bill May
Talquin Electric Cooperative