

ORIGINAL



JOHN T. BURNETT
ASSOCIATE GENERAL COUNSEL
PROGRESS ENERGY SERVICE COMPANY, LLC

December 29, 2005

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

RECEIVED - FPSC
DEC 29 PM 4:07
COMMISSION
CLERK

Re: Joint Petition of Orlando Utilities Commission and Progress Energy Florida
for approval of a term extension to their territorial agreement in Orange
County; Docket No. 050977 - EU

Dear Ms. Bayo:

Enclosed please find the original and fifteen (15) copies of joint petition for
approval of a term extension to territorial agreement between Orlando Utilities
Commission and Progress Energy Florida, Inc. filed pursuant to Rule 25-6.0440,
F.A.C., and Section 366.04(2)(d), F.S.

Please acknowledge receipt and filing of the above by stamping the
duplicate copy of this letter and returning to undersigned. Thank you for your
assistance in this matter.

Respectfully,

John T. Burnett LMS
John T. Burnett

JTB/lms
Enclosure

RECEIVED & FILED

Oh

FPSC-BUREAU OF RECORDS

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DOCUMENT NUMBER-DATE

11964 DEC 29 05

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of Orlando
Utilities Commission and Progress
Energy Florida for approval of a
term extension to their territorial
agreement in Orange County.

Docket No. 050977-EU
Submitted for filing:
December 29, 2005

JOINT PETITION

Orlando Utilities Commission ("OUC") and Progress Energy Florida, Inc., ("PEF") (collectively, "the Joint Petitioners"), pursuant to Section 366.04(2)(d), Fla. Stats., and Rule 25-6.0440, F.A.C., jointly petition the Florida Public Service Commission ("the Commission") for approval of a Second Amendment to their currently effective territorial agreement in Orange County, attached as Exhibit A, extending the term of the agreement through June 30, 2006 which is intended to allow the Joint Petitioners additional time to pursue their negotiations toward a new territorial agreement to replace the current agreement and First Amendment upon their expiration. In support hereof, the Joint Petitioners represent as follows:

1. The Joint Petitioners are electric utilities organized under the laws of Florida and are subject to the regulatory jurisdiction of the Commission pursuant to Section 366.04(2), Fla. Stats. OUC's principal offices are located in Orlando, Florida. PEF's principal offices are located in St. Petersburg, Florida.
2. All pleadings, notices, and other communications in this matter should be served on the undersigned attorneys for OUC and PEF.

3. OUC and PEF are parties to a currently effective territorial agreement delineating their respective service territories in Orange and Osceola Counties (the "Current Agreement"), which was approved by the Commission in Order No. PSC-95-0440-FOI-EU, issued April 5, 1995 in Docket No. 940565-EU. The Agreement had a 10-year term that expired on April 13, 2005.

4. On March 31, 2005, the Joint Petitioners submitted a Joint Petition requesting approval of an Amendment to extend the term of the Agreement through December 31, 2005.

5. By Order No. PSC-05-0707-PAA-EU issued June 29, 2005 in Docket No. 0502220-EU, the Commission approved the Amendment and Extension of Territorial Agreement, extending the terms of the Current Agreement through December 31, 2005.

6. OUC and PEF have been conducting discussions regarding a new territorial agreement to replace the soon-to-expire Current Agreement. It has become apparent to the parties that they will need additional time to successfully conclude their negotiations before the impending expiration of the Current Agreement and Amendment. To provide sufficient time for OUC and PEF to thoroughly pursue continued negotiations and, if successful, to seek Commission approval of a replacement territorial agreement, the parties have entered into a Second Amendment of the Current Agreement attached as Exhibit A to this Joint Petition which, upon approval by this Commission, will extend its expiration date through June 30, 2006.

7. The Commission has long recognized that properly constructed territorial agreements between adjacent utilities are in the public interest. The Joint Petitioners believe and therefore represent that the Second Amendment, which will provide them a

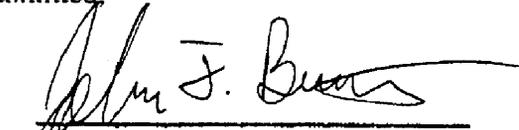
further opportunity to enter into such a territorial agreement, is similarly in the public interest.

WHEREFORE, OUC and PEF respectfully request that the Commission grant this Joint Petition and approve the Amendment contained in Exhibit A hereto.

Respectfully submitted,



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Attorney for
ORLANDO UTILITIES COMMISSION

EXHIBIT A

SECOND AMENDMENT TO TERRITORIAL AGREEMENT

Between

Orlando Utilities Commission

And

Progress Energy Florida

SECOND AMENDMENT TO TERRITORIAL AGREEMENT

Orlando Utilities Commission (OUC) and Progress Energy Florida, Inc. (PEF) enter into this Second Amendment to their Territorial Agreement for Orange County on this 29th day of December, 2005.

WITNESSETH:

WHEREAS, OUC and PEF are parties to a currently effective Territorial Agreement delineating their respective service territories in Orange County (the Current Agreement), which has been approved by order of the Florida Public Service Commission (FPSC) and

WHEREAS, the term of the Current Agreement expired on April 13, 2005, and was extended through December 31, 2005 by an Amendment approved by order of the FPSC; and

WHEREAS, the term of the Current Agreement and Amendment will expire on December 31, 2005; and

WHEREAS, OUC and PEF have entered into negotiation for the purpose of reaching a new territorial agreement to replace the Current Agreement upon its expiration; and

WHEREAS, OUC and PEF recognize that they will be unable to successfully conclude their negotiations by the expiration date of the Current Agreement and Amendment as it presently exists; and

WHEREAS, OUC and PEF desire to extend the expiration of the Current Agreement and Amendment through June 30, 2006 in order to provide sufficient time to

pursue the opportunity for a successful conclusion of their negotiations, and to seek Commission approval of the resulting new territorial agreement,

NOW, THEREFORE, OUC and PEF hereby agree as follows:

The term of the Current Agreement, shall be extended to and including June 30, 2006.

2 Except as modified herein, the terms and conditions of the Current Agreement shall remain in full force and effect.

3 This Second Amendment to the Current Agreement will become effective and enforceable only upon the issuance of an order by the Florida Public Service Commission approving the Second Amendment in its entirety.

IN WITNESS WHEREOF, OUC and PEF have caused this Amendment to be executed in duplicate by their duly authorized representatives on the day and year first above stated.

ORLANDO UTILITIES COMMISSION

By *[Signature]* 12/29/05

Name: *ROBERT M. SPANER*

Title: *Acting General Manager*

PROGRESS ENERGY FLORIDA, INC.

By *[Signature]*

Name: *Vincent M. Dolan*

Title: *Vice President*

Approved as to form and legality

OUC Legal Department

DATE: *12-29-05* BY: *[Signature]*