

State of Florida



RECEIVED-FPSC

DEC 17 PM 2:51

COMMISSION
CLERK

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-

DATE: December 17, 2007
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Caroline M. Klancke, Attorney, Office of the General Counsel *CK*
RE: DOCKET NO. 070669-EU - Joint petition for approval of territorial agreement in Bradford County by Clay Electric Cooperative, Inc. and the City of Starke, Florida.

Please include the attached copies in the above mentioned docket file.

1. Responses to Staff's Data Request.
2. Response to teleconference.

CMK:th

DOCUMENT NUMBER-DATE

10976 DEC 17 08

FPSC-COMMISSION CLERK

LAW OFFICES
CHANDLER, LANG, HASWELL & COLE, P.A.
POST OFFICE BOX 23879
GAINESVILLE, FLORIDA 32602-3879

JAMES F. LANG
JOHN H. HASWELL
C. WHARTON COLE

*ADMITTED IN FL AND TX

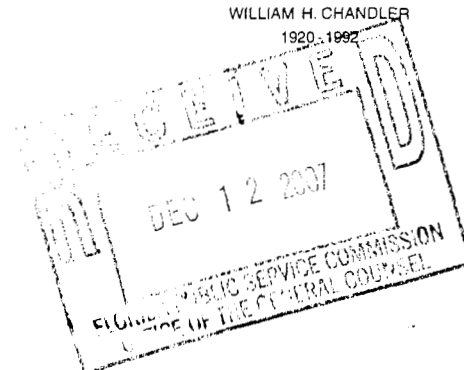
TELEPHONE 352/376-5226
FAX 352/372-8858
211 N.E. FIRST STREET
GAINESVILLE, FL 32601-5367

December 11, 2007

WILLIAM H. CHANDLER
1920-1992

**Via Facsimile - (850) 413-6250
and Regular U.S. Mail**

Caroline M. Klancke, Esq.
Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850



Re: Docket No. 070669-EU
Joint Petition for Approval of a Territorial Agreement in
Bradford County by Clay Electric Cooperative, Inc. and
the City of Starke, Florida

Dear Caroline:

Following up on our telephone conversation/telephone conference, Clay Electric's response to the nine items mentioned in your letter of November 19, 2007, which you asked us to respond to by December 12, 2007, is as follows (responding to your numbered items):

1. There are no territorial agreements previously entered into by Clay Electric and the City of Starke.
2. Clay Electric has not entered into any territorial agreements with other electric utilities whose territorial boundary lines are adjacent to the City's proposed territorial boundary line.
3. There are none.
4. There are none.
5. It was the parties' intention to limit Section 4.2 to "the City". Hence, as we noted in our telephone conference, both Clay Electric and the City agree that language means that either party may provide electric service to retail customers, under a franchise agreement, within the boundaries of the City.

DOCUMENT NUMBER-DATE

10976 DEC 17 07

FPSC-COMMISSION CLERK

6. There will be no transfer of the retail customers of either party under this agreement.
7. Neither Clay Electric nor the City have provided notice to any other utility regarding this agreement. We do note, however, that this proceeding will be noticed, in accordance with the Commission's rules, in the Florida Administrative Weekly.
8. Clay Electric respectfully declines to "provide a signed consent statement from the other electric utility whose territorial boundary line is adjacent to the City's proposed territorial boundary line indicating agreement with the proposed territorial agreement entered into by Clay and the City." The Commission's jurisdiction under Section 366.04(2)(d), *Fla. Stat.*, does not include a requirement that the parties to a proposed territorial agreement obtain the consent of non-parties. The agreement itself addresses that issue by stating, in Section 7.2, that the agreement does not affect the rights of non-parties. We do note that an underlying premise of Section 366.04(5) is aimed at avoiding the uneconomic duplication of electric facilities and that including all electric utilities in a specified geographic area to agree on their boundaries may, in some instances, be more efficient. However, the Florida legislature and the Commission itself have in the past resisted efforts to grant that additional jurisdiction to the Commission. Hence, the Commission's jurisdiction is to approve or disapprove territorial agreements submitted to it and to review the same following the statutory criteria and Rule 25-6.0440, FAC. The uneconomic duplication that the proposed agreement seeks to avoid is uneconomic duplication between Clay Electric and the City. Clay Electric, however, has no objection to the PSC notifying other neighboring or adjacent utilities of the pendency of this proceeding.
9. Clay Electric has no knowledge that the City plans to enter into territorial agreements with other electric utilities whose territory boundary line is adjacent to the City's proposed territorial boundary line.

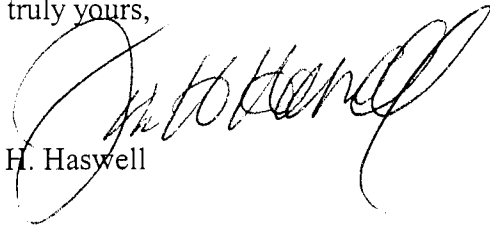
An additional question was raised during our telephone conference as to the current location of the respective facilities of Clay Electric and the City, vis-a-vis the proposed boundary line. Generally, Clay Electric's facilities are on the outside of the proposed boundary line, while the City's are inside the proposed boundary line. There are some instances where the distribution facilities of Clay Electric and the City may be located in, or cross over, the proposed territory of the other in order to serve a customer. In addition, Clay Electric has an express distribution feeder that runs east and west through the City's proposed territory, crossing U.S. 301, however, that feeder does not (and will not) serve any customers inside the City's proposed territory. Such feeders are contemplated by Section 3.3 of the agreement.

Caroline M. Klancke, Esq.
December 11, 2007
Page 3

Please feel free to contact me should you have any further questions regarding this matter.

Very truly yours,

John H. Haswell

A handwritten signature in black ink, appearing to read "John H. Haswell", written in a cursive style. The signature is positioned to the right of the typed name "John H. Haswell".

JHH/bh

cc: Terence M. Brown, Esq.
Paul Waters, Director of District Operations



Terence M. Brown, P.A.
John Lyon Broling

**BROWN
&
BROLING**
Attorneys at Law

December 13, 2007

486 N. Temple Avenue
P.O. Box 40
Starke, Florida 32091
Telephone: (904) 964-8272
Facsimile: (904) 964-3796
Email: info@brownandbroling.com

Caroline M. Klancke
Staff Counsel
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: City of Starke/Clay Electric Territorial Agreement

Dear Ms. Klancke:

This letter is in response to our earlier telephone conference and our conversation of today.

The City of Starke has advised Florida Power & Light of the territorial agreement currently being proposed between the City and Clay Electric. David Cobb, the north area manager for FPL, confirmed today that they are in possession of a copy of the proposed agreement and have no objection to it. There are no other utility companies which would be affected or impacted by the proposed agreement.

The City of Starke is currently in the process of negotiating a territorial agreement with FPL. There are no other utility companies providing service within the City of Starke or adjacent to the City's territorial boundaries.

As discussed during the telephone conference, the item raised in number "5" of your November 19th, 2007 letter is the result of a scrivener's error. The word "the" should be substituted for the word "any". The proposed territorial agreement only refers to retail customers being served within the City of Starke.

If you have any other questions or concerns, please give me a call.

Sincerely

Terence M. Brown

TMB/jmj
cc: Ricky Thompson

DOCUMENT NUMBER - 010976
10976 DEC 17 2007
FPSC-COMMISSION CLERK

