

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for approval of a territorial agreement in Lake County between City of Leesburg, a Florida municipality and Sumter Electric Cooperative, Inc., a Florida Cooperative.

DOCKET NO. 110272-EU
ORDER NO. PSC-12-0064-PAA-EU
ISSUED: February 13, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION AND
ORDER APPROVING TERRITORIAL AGREEMENT BETWEEN THE CITY OF
LEESBURG AND SUMTER ELECTRIC COOPERATIVE, INC.

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

DECISION

On September 20, 2011, Sumter Electric Cooperative, Inc. (SECO) and the City of Leesburg (Leesburg) filed a joint petition for approval of an amended territorial agreement (new agreement) between the two utilities in Lake County. SECO and Leesburg are parties to a currently effective territorial agreement (current agreement) delineating their respective service territories in Lake county, which was approved by Order No. 25079.¹

The current agreement had a duration period of twenty years. This Order addresses the parties' joint petition for approval of an amended agreement to replace the current agreement. We have jurisdiction over the matter pursuant to Section 366.04, Florida Statutes (F.S.).

¹ Order No. 25079, issued September 18, 1991, in Docket No. 910624-EM, In re: Joint Petition of the City of Leesburg and Sumter Electric Cooperative, Inc. for approval of territorial agreement.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

The parties desire to amend and restate the current agreement in its entirety through the amended agreement in order to gain further operational efficiencies and customer service improvements in the retail service territory. The new agreement shall continue and remain in effect for a period of twenty years from the date of our approval. However, either party may terminate at the end of the fifteenth year. The new agreement, as well as associated maps and territory description, are attached hereto and incorporated herein as Exhibit A to this Order.

The new agreement considers the future transfer of two customers from SECO to Leesburg. Under the current agreement, these customers are located within Leesburg's service territory and are currently served by SECO. The affected customers are identified in an exhibit attached to the new agreement. According to the new agreement and the customer notices attached to the new agreement, the parties expect the transfer of the affected customers to be completed within 36 months. The new agreement also provides that we will be notified in writing if circumstances require additional time to complete the transfer. However, in the joint petition for approval of the territorial agreement, it was indicated that the transfer would be completed within 18 months. In response to Commission staff's inquiry about the discrepancy, the parties explained that at the time the notice was sent to the customers, the parties wanted to allow maximum time to make the transfer. The parties now intend to have the transfer made within 18 months. In reference to related distribution facilities used exclusively for providing service to the affected customers, the terms of the new agreement allows a transfer if the receiving party elects to purchase the facilities.

Prior to the filing of the joint petition, the affected customers were sent written notification. The petition indicated that as of the time of the filing, no negative responses have been received. According to the petition, a summary of the responses ultimately received, if any, will be provided by a supplemental filing. With respect to customer deposits, the parties have indicated that the two affected customers, based on payment history and longevity of service, have no deposits with SECO. Leesburg will not require a deposit from the two customers at this time; however, it reserves the right to require a deposit from future customers at the transfer locations and for security in the event of a negative change in payment practice.

We note that this new agreement relates to a similar agreement between Florida Power Corporation, now Progress Energy Florida, Inc. (PEF), and Leesburg.² The parties have indicated that PEF has been notified and has expressed no objection. The parties have also pointed out that the new agreement is not intended to alter and does not alter the existing territorial agreement between PEF and Leesburg (or the existing territorial agreement between PEF and SECO). Also, in response to a staff data request, we learned that the boundary between the parties to the new agreement does not coincide with the city limits of Leesburg. The proposed boundary provides Leesburg territory outside its municipal boundaries and SECO territory within Leesburg's municipal boundaries. Further, SECO has previously served areas

² Order No.12289, issued July 22, 1983, in Docket No. 820492-EU, In re: Application of Florida Power Corporation and the City of Leesburg for approval of a territorial agreement relating to service areas.

within Leesburg's municipal boundaries and will continue to do so as a result of the proposed new territorial agreement.

Pursuant to Section 366.04(2)(d), F.S., we have jurisdiction to approve territorial agreements between and among rural electric cooperatives, municipal electric utilities, and other electric utilities. Pursuant to Rule 25-6.0440(2), Florida Administrative Code, in approving territorial agreements, we may consider the reasonableness of the purchase price of any facilities being transferred, the likelihood that the agreement will not cause a decrease in the reliability of electric service to existing or future ratepayers, and the likelihood that the agreement will eliminate existing or potential uneconomic duplication of facilities. Unless we determine that the agreement will cause a detriment to the public interest, the agreement should be approved. Utilities Commission of the City of New Smyrna v. Florida Public Service Commission, 469 So. 2d 731 (Fla. 1985).

It appears that the amended agreement proposed by Leesburg and SECO eliminates existing or potential uneconomic duplication of facilities and does not cause a decrease in the reliability of electric service to existing or future ratepayers. Based on all of the above, we find that the joint petition of a territorial agreement between Leesburg and SECO is in the public interest and is hereby approved.

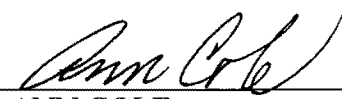
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the territorial agreement between the City of Leesburg and Sumter Electric Cooperative, Inc., is hereby approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 13th day of February, 2012.



ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MFB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 5, 2012.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

AMENDED AND RESTATED TERRITORIAL AGREEMENT

SUMTER ELECTRIC COOPERATIVE, INC., an electric cooperative organized and existing under the laws of the state of Florida (the "Cooperative"), and CITY OF LEESBURG, a Municipal Government organized and existing under the laws of the State of Florida ("Leesburg") (collectively, the "Parties") enter into this Amended Territorial Agreement (the "Amended Agreement") on this 14th day of June, 2011.

WITNESSETH:

Article I. RECITALS

Section 1.1 **WHEREAS**, the Cooperative, by virtue of Florida Statutes Chapter 425 and the Charter issued to it thereunder, and Leesburg, by virtue of the laws of Florida, are each authorized, empowered and obligated by their corporate charter and laws of the State of Florida to furnish retail electric service to persons upon request within their respective service areas; and

Section 1.2 **WHEREAS**, the respective areas of service of the Parties are contiguous in many places in Lake County, and to avoid duplication of service, the Cooperative and Leesburg entered into the currently effective territorial agreement dated February 15, 1991, and approved by the Commission pursuant to its powers under Section 366.04, Florida Statutes, in Order No. 25079, issued September 18, 1991 in Docket No. 910624-EM (the "Current Agreement"), which delineates the Parties' service territory in Lake County; and

Section 1.3 **WHEREAS**, the Parties desire to amend and restate the Current Agreement in its entirety through this Amended Agreement in order to gain further operational efficiencies and customer service improvements in the retail service territory in Lake County, while continuing to eliminate circumstances giving rise to the uneconomic duplication of service facilities and hazardous situations that the Current Agreement is intended to avoid.

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 hereby agree to amend and restate the Current Agreement as follows:

Article II. DEFINITIONS

Section 2.1 **Territorial Boundary Line(s)**. As used herein, the term "Territorial Boundary Line(s)" shall mean the boundary line(s) depicted on the maps attached hereto as Composite Exhibit A which delineate and differentiate the parties respective Territorial Areas in Lake County.

Section 2.2 **Cooperative Territorial Area**. As used herein, the term "Cooperative Territorial Area" shall mean the geographic areas in Sumter, Lake, Marion, Citrus and Levy Counties allocated to the Cooperative as its retail service territory and labeled as "Sumter Territorial Area" or "Sumter" on the maps contained in Composite Exhibit A.

Section 2.3 **Leesburg Territorial Area**. As used herein, the term "Leesburg Territorial Area" shall mean the geographic areas in Lake County allocated to the Leesburg as its retail service territory and labeled as "Leesburg Territorial Area" or "Leesburg" on the maps contained in Composite Exhibit A.

Exhibit "A"

**Amended Territorial Agreement
Sumter Electric Cooperative Inc. and City of Leesburg**

Section 2.4 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 retail electric service under this Amended Agreement, irrespective of where a customer's point of connection or metering is located.

Section 2.5 New Customers. As used herein, the term "New Customers" shall mean all end use customers applying for retail electric service after the Effective Date of this Amended Agreement at a Point of Use in the Territorial Area of either Party.

Section 2.6 Extra-Territorial Customers. As used herein, the term "Extra-Territorial Customers" shall mean: (a) those customers served by either Party on the effective date of the applicable Current Agreements who are located within the service territory of the other Party established by such Current Agreement, and (b) those customers, other than Temporary Service Customers, served by either Party on the Effective Date of this Amended Agreement who are located within the Service Territory of the other Party due to modifications of the Territorial Boundary Lines established herein.

Section 2.7 Commission. As used herein, the term "Commission" shall mean the Florida Public Service Commission.

Section 2.8 Effective Date. As used herein, the term "Effective Date" shall mean the date on which the Commission's final order granting approval of this Amended Agreement in its entirety becomes no longer subject to judicial review.

Section 2.9 Temporary Service Customers. As used herein, the term "Temporary Service Customers" shall mean customers who are being temporarily served under the temporary service provisions of the Current Agreements.

Article III. RETAIL ELECTRIC SERVICE

Section 3.1 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 Leesburg shall have the exclusive authority to furnish retail electric service in the Leesburg Territorial Area. The Territorial Boundary Line shall not be affected by any change, through annexation or otherwise, that may occur in the corporate limits of any municipality (including Leesburg) lying within or adjacent to the Cooperative Territorial Area or the Leesburg Territorial Area, unless agreed to in writing by the parties and approved by the Commission.

Section 3.2 Service to New Customers. The Parties agree that neither of them will knowingly serve or attempt to serve any New Customer whose Point of Use is located within the Territorial Area of the other Party, except as specifically provided in Sections 3.3 and 5.4 below. However, in those instances where the Territorial Boundary Line traverses the property of an individual New Customer or prospective New Customer, the Party in whose service area the preponderance of the Customer's electric energy usage is expected to occur shall be entitled to serve all of the Customer's usage. With respect to new residential customers, however, the Parties recognize that in some such instances, the information needed to locate the various points of the New Customer's usage in relation to the Territorial Boundary Line with reasonable certainty may be unavailable or difficult to determine, and agree that in such event the Party with the greater portion of the New Customer's property in its service area shall be entitled to serve all of the New Customer's usage.

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Section 3.3 Temporary Service. The Parties recognize that in exceptional circumstances, economic constraints or good engineering practices may indicate that a New Customer's Point of Use either cannot or should not be immediately served by the Party in whose Territorial Area such Point of Use is located. In such instances, upon written request by the Party in whose Territorial Area the New Customer's Point of Use is located, the other Party may, in its sole discretion, agree in writing to temporarily provide service to such New Customer until such time as the requesting Party provides written notice of its intent to serve the Point of Use. The other Party shall inform the customer of the temporary nature of such service. Any such agreement for temporary service which lasts, or is anticipated to last, for more than one year shall be submitted to the Commission for approval in accordance with Section 6.1 hereof. Such temporary service shall be discontinued upon written notice from the requesting Party of its intent to provide service, which the Parties shall coordinate to minimize any inconvenience to the customer. In conjunction with such discontinuance, the Party providing temporary service hereunder shall be compensated by the requesting party in accordance with Section 4.3.2 for its distribution facilities used exclusively to provide such service. 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, nor shall the Party providing temporary service be required to pay the other party any going concern value.

Notwithstanding the provisions of this section 3.3, however, the Parties recognize that economic constraints and good engineering practices presently indicate that the areas identified in Exhibit B hereto should continue to be served by the Cooperative until such time that Leesburg can economically and effectively serve those areas and that the areas identified in Exhibit C hereto should continue to be served by Leesburg until such time that the Cooperative can economically and efficiently serve those areas. The Cooperative will continue to serve the areas identified in Exhibit B until Leesburg provides written notice to the cooperative of its intent to serve those areas, and Leesburg will continue to serve those areas identified in Exhibit C until the Cooperative provides written notice to Leesburg of its intent to serve those areas.

Section 3.4 Referral of Service Request. In the event that a prospective New Customer requests or applies for service from either party to be provided to a Point of use located in the Territorial Area of the other party, the Party receiving the request or application shall advise the prospective New Customer that such service is not permitted under this Amended Agreement, as approved by the Commission, and shall refer the prospective New Customer to the other Party.

Section 3.5 Correction of Inadvertent Service Errors. If any situation is discovered during the term of this Amended Agreement in which either party is inadvertently providing retail electric service to a customer's Point of use located within the service area of the other party, service to such customer will be transferred to such other Party. Until the transfer of service can be completed, the Party providing inadvertent service to the customer's Point of Use will be deemed to be temporary service provided in accordance with Section 3.3 above. The electric facilities of the inadvertently serving Party used solely to provide service to the customer subject to transfer will also be transferred to the other Party in return for compensation determined in accordance with section 4.2.2 below. Any such transfer shall be completed within 12 months of the discovery of the inadvertent error.

Article IV. TRANSFER OF CUSTOMERS

Section 4.1 In General. In order to achieve the operational efficiencies and other benefits contemplated by this Amended Agreement in a timely manner, all Extra-Territorial Customers shall be transferred to the Party in whose Territorial Area such customers are

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located at the earliest practical time, consistent with sound utility practices and reasonable consumer notice. The Parties expect the transfer of Extra-Territorial Customers to be completed within 36 months from the Effective Date and will notify the Commission in writing if circumstances require additional time to complete the transfer. The Extra-Territorial Customers subject to transfer hereunder are listed by name and service address on Exhibits D and E hereto.

Section 4.2 Transfer of Facilities. Upon the transfer of Extra-Territorial Customers pursuant to section 4.01 above, the receiving Party may elect to purchase the facilities of the transferring Party related exclusively to serving the Extra-Territorial Customers for an amount determined in accordance with Section 4.3.2 below.

Section 4.3 Compensation for Transferred Customers and Facilities.

4.3.1. Going Concern Value. The Parties anticipate that the number of customers to be transferred and received by each Party will be balanced and that any going concern compensation from one Party to the other would be essentially offsetting. Therefore, the parties have agreed that no going concern compensation shall be paid for the transfer of customers pursuant to this amended Agreement.

4.3.2. Compensation for Transferred Facilities. If service facilities are transferred pursuant to Sections 3.3, 3.5, or 4.2 above, the receiving Party shall compensate the transferring party in an amount based upon the replacement cost (new), less depreciation calculated on a straight line basis over the life of the asset (facility) as determined from the transferring Party's books and records, and the cost to the transferring Party for reintegration of its remaining system to the extent such reintegration costs are reasonably required by sound utility practices. The replacement cost shall be determined by applying a cost escalator such as the Handy Whitman Index or a common engineering cost estimation methodology to the original cost, as long as both parties apply the same escalation method.

4.3.3. 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 presentation of an invoice from the transferring Party.

4.3.4. Transfer Instruments. For each transfer made under this Amended Agreement, the transferring party will make, execute, and deliver to the receiving Party a conveyance, deed or other instrument of transfer, as is appropriate, 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.

4.3.5. RUS and CFC Approval. Any property transfer from Cooperative to Leesburg is subject to approval by the United States of America Department of Agriculture, RUS and CFC.

Section 4.4 Transfer of Extra-Territorial Customers. The Extra-Territorial customers currently served by the Cooperative and subject to transfer to Leesburg pursuant to this Agreement are listed by account number and service address in Exhibit D hereto. The Extra-Territorial Customers currently served by Leesburg and subject to transfer to the Cooperative pursuant to this Agreement are listed by account number and service address in Exhibit E hereto.

4.4.1. Extra-Territorial Service. Except as otherwise provided herein, each party retains the right and obligation to continue to provide retail electric service at existing

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points of delivery, which are in the retail service areas of the other party, at the time this Agreement becomes effective. Existing points of delivery shall mean service drops and underground service laterals which are physically connected to the customer's property, whether energized or not. Each party may maintain, repair and replace its facilities used to service such existing points of delivery.

If the service requirements for an Extra-Territorial Customer change or if the service is to be provided at a new point of delivery which is near the facilities of the Party in whose territory the customer is located, that Party shall provide the service except the Party may request in writing, and the other Party currently serving the customer may in its discretion agree, that the service will continue to be provided by the Party currently serving subject to a transfer of the service to the Party in whose territory the customer is located when that Party determines that it is appropriate to extend its facilities.

Article V. OPERATION AND MAINTENANCE

Section 5.1 Facilities to Remain. Other than expressly provided herein, no generating plant, transmission line, substation, distribution line or related equipment shall be subject to transfer or removal hereunder; provided, however, that each Party shall operate and maintain its lines and facilities in a manner that minimizes any interference with the operations of the other Party.

Section 5.2 Cooperative Facilities to be Served. 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 Leesburg 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 Leesburg in the Leesburg Territorial Area.

Section 5.3 Leesburg Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of Leesburg to serve any Leesburg facility (i.e., owned by the City of Leesburg) located in the Cooperative Territorial Area which facility is used exclusively in connection with Leesburg's business as an electric utility; provided, however, that Leesburg 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.

Section 5.4 Retail Service at Facility Sites. Where either party serves any of its facilities located in the territorial Area of the other Party pursuant to Sections 5.2 or 5.3 above, such Party may provide limited retail service on the site of the facility to prevent potential safety hazards or unsound operating conditions that would result from the construction and maintenance of lines and related facilities by the other Party to provide retail service at the site. As used in this section, limited retail service shall mean no more than three separate retail accounts with a combined load of 25 kW or less at any such site.

Article VI. PREREQUISITE APPROVAL

Section 6.1 Commission Approval. The provisions and the Parties' performance of this Amended Agreement are subject to the regulatory authority of the Commission, and appropriate approval by that body of this Amended Agreement in its entirety shall be an absolute condition precedent to the validity, enforceability and applicability hereof. This Amended Agreement shall have no effect whatsoever until such approval has been obtained. Any proposed modification to this Amended Agreement shall be submitted to the Commission for approval. In addition, the Parties agree to jointly petition the Commission to resolve any

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dispute concerning the provisions of this Amended Agreement or the Parties performance hereunder.

Section 6.2 Liability in the Event of Disapproval. In the event approval pursuant to section 6.1 is not obtained, neither Party will have any claim against the other arising under this Amended Agreement.

Section 6.3 Supersedes Prior Agreements. Upon approval by the Commission, this Amended Agreement shall be deemed to specifically supersede the Current Agreements and all other prior agreements between the Parties defining the boundaries of their respective Territorial Areas.

Article VII. DURATION

Section 7.1 Term. This Amended Agreement shall continue and remain in effect for a period of twenty (20) years from the date of the rendering of the Florida Public Service Commission's Order approving this Amended Agreement. However, either Party may terminate this Amended Agreement at the end of the fifteenth (15th) year following such approval by providing written notice to the other party of such termination not later than the anniversary date of the thirteenth (13th) year following such approval.

Article VIII. CONSTRUCTION OF AGREEMENT

Section 8.1 Other Electric Utilities. Nothing in this Amended Agreement is intended to define, establish or affect in any manner the rights of either Party hereto relative to any other electric utility not a party to this Amended Agreement with respect to the furnishing of retail electric service including, but not limited to, the service territory of either Party hereto relative to the service territory of any other electric utility not a party to this Amended Agreement. The Parties understand that the Cooperative or Leesburg may, from time to time and subject to Commission approval, enter into territorial agreements with other electric utilities providing retail service in Sumter, Lake, Marion, Citrus, Levy, Pasco, and Hernando Counties and that, in such event, nothing herein shall be construed to prevent the Cooperative or Leesburg from designating any portion of its Territorial Area under this Amended Agreement as the retail service area of such other electric utility.

Section 8.2 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 Amended Agreement shall be construed as applying to a bulk power supply for resale purposes.

Section 8.3 Intent and Interpretation. It is hereby declared to be the purpose and intent of the Parties that this Amended 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 generation, transmission and distribution facilities; and encouraging the installation and maintenance of facilities necessary to fulfill the Parties respective obligations to serve.

Article IX. MISCELLANEOUS

Section 9.1 Negotiations. Whatever terms or conditions may have been discussed during the negotiations leading up to the execution of this Amended Agreement, the only terms and conditions agreed upon are those set forth herein, and no alteration, modification, enlargement or supplement to this Amended Agreement shall be binding upon either of the Parties unless made in writing, signed by both Parties, and approved by the Commission.

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Section 9.2 Successors and Assigns. Nothing in this Amended 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 Amended Agreement or any provision or conditions hereof; and all 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 representative, successors and assigns.

Section 9.3 Notices. Notices and other written communications contemplated by this Amended Agreement shall be deemed to have been given if sent by certified mail, postage prepaid, by prepaid private courier, or by confirmed facsimile transmittal, as follows:

To the COOPERATIVE:
General Manager and CEO
Sumter Electric Cooperative, Inc.
293 S. Hwy 301, (33585)
P.O. Box 301 (33585)
Sumterville, Florida
Facsimile 352-793-2563

To the LEESBURG:
City Manager,
City of Leesburg, Florida
501 W. Meadow Street
Leesburg, FL 34749
Facsimile _____

Either Party may change its designated representative or address to which such notices or communications shall be sent by giving written notice thereof to the other Party in the manner herein provided.

[Signature Page Follows]

Amended Territorial Agreement
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IN WITNESS WHEREOF, this Amended Agreement has been caused 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.

Sumter Electric Cooperative, Inc.

By: James P. Duncan
James P. Duncan
Chief Executive Officer and
General Manager

City of Leesburg, Florida

By: Bill Polk
Bill Polk
Mayor

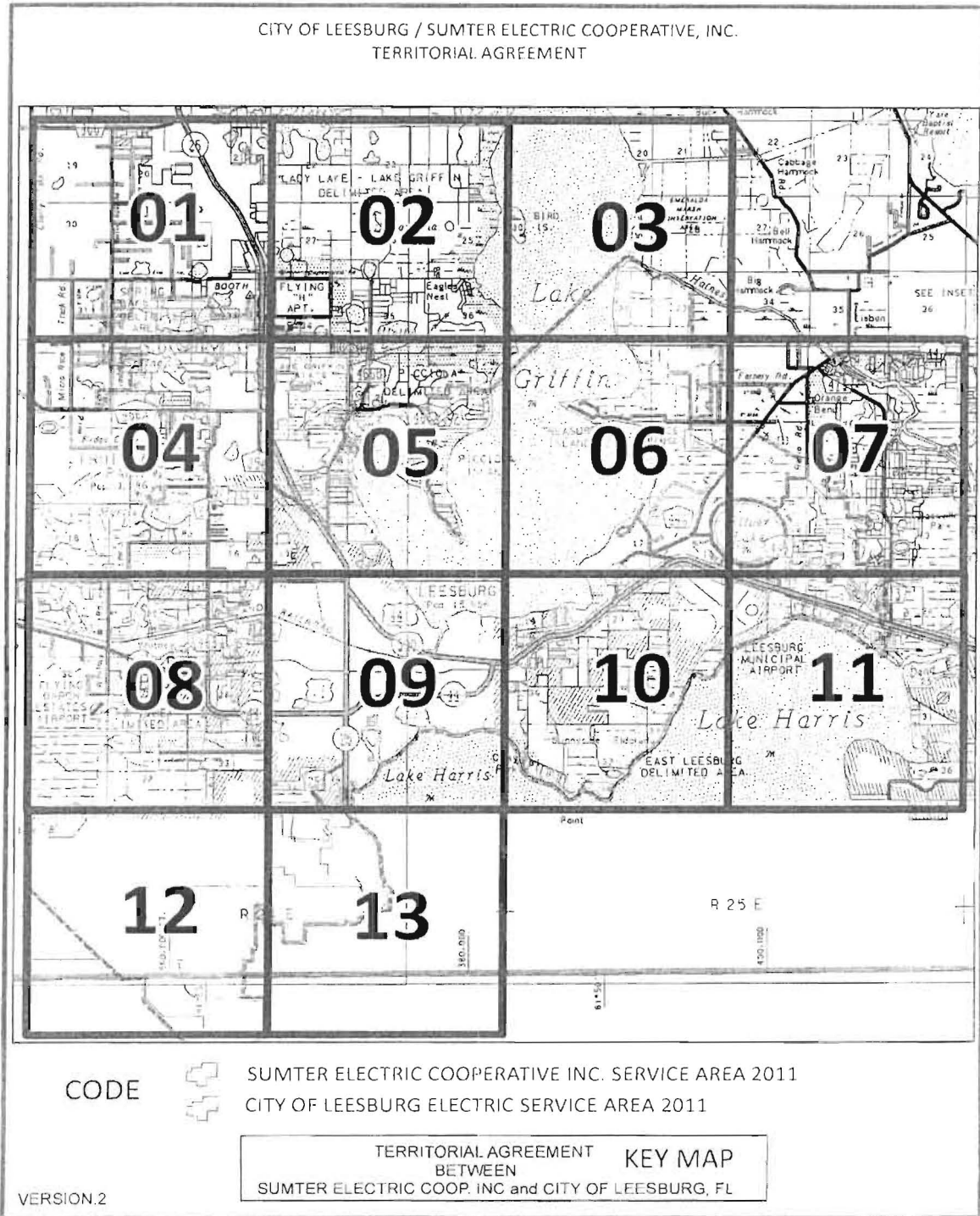
ATTEST:
Bettina Richardson
City Clerk

APPROVED AS TO FORM AND
LEGALITY:

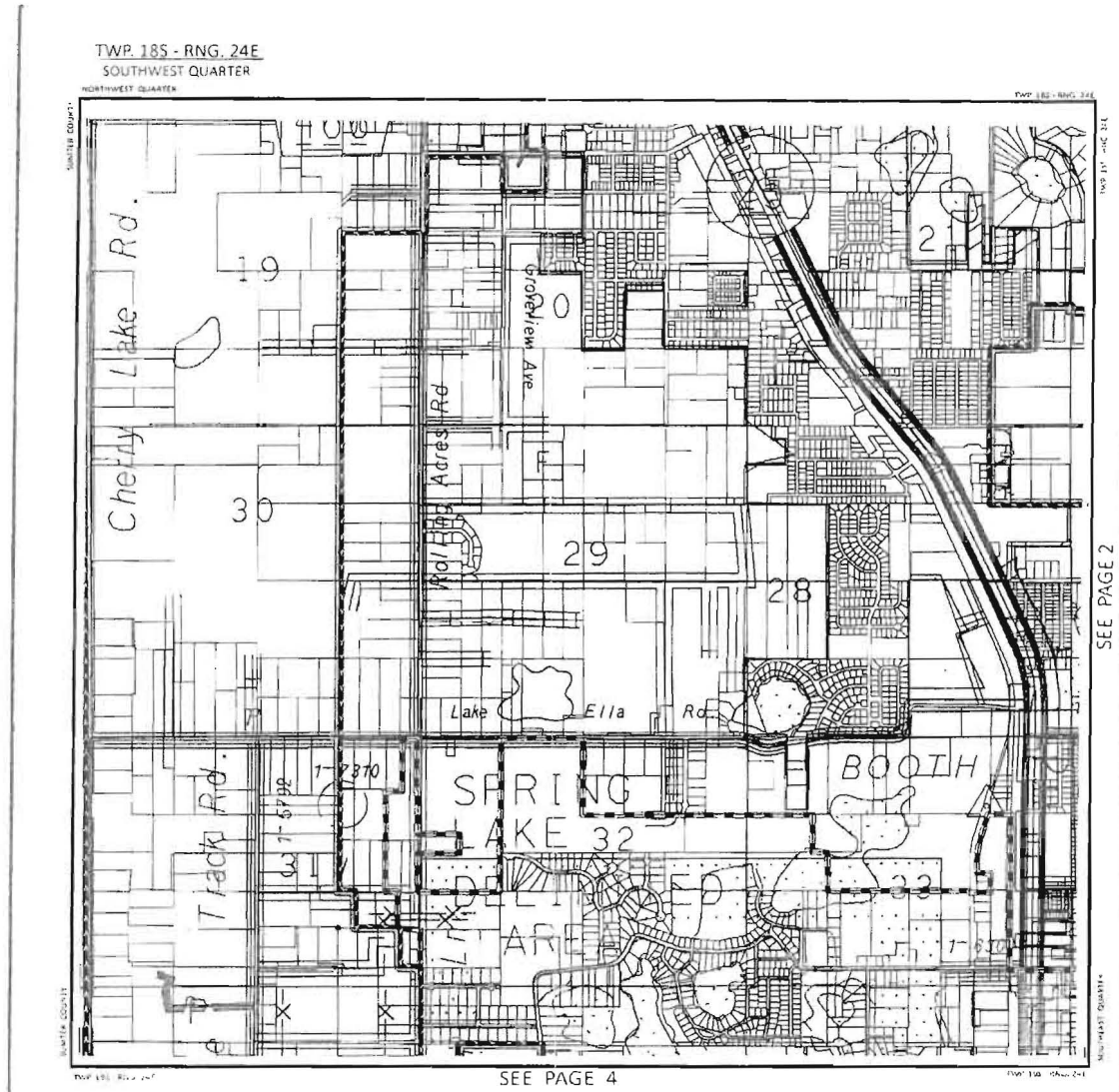
By: Fred A. Morrison
Fred A. Morrison, Legal Counsel
to the City of Leesburg

By: Lewis W. Stone
Lewis W. Stone
Legal Counsel to Sumter
Electric Cooperative, Inc.

Date: June 27, 2011



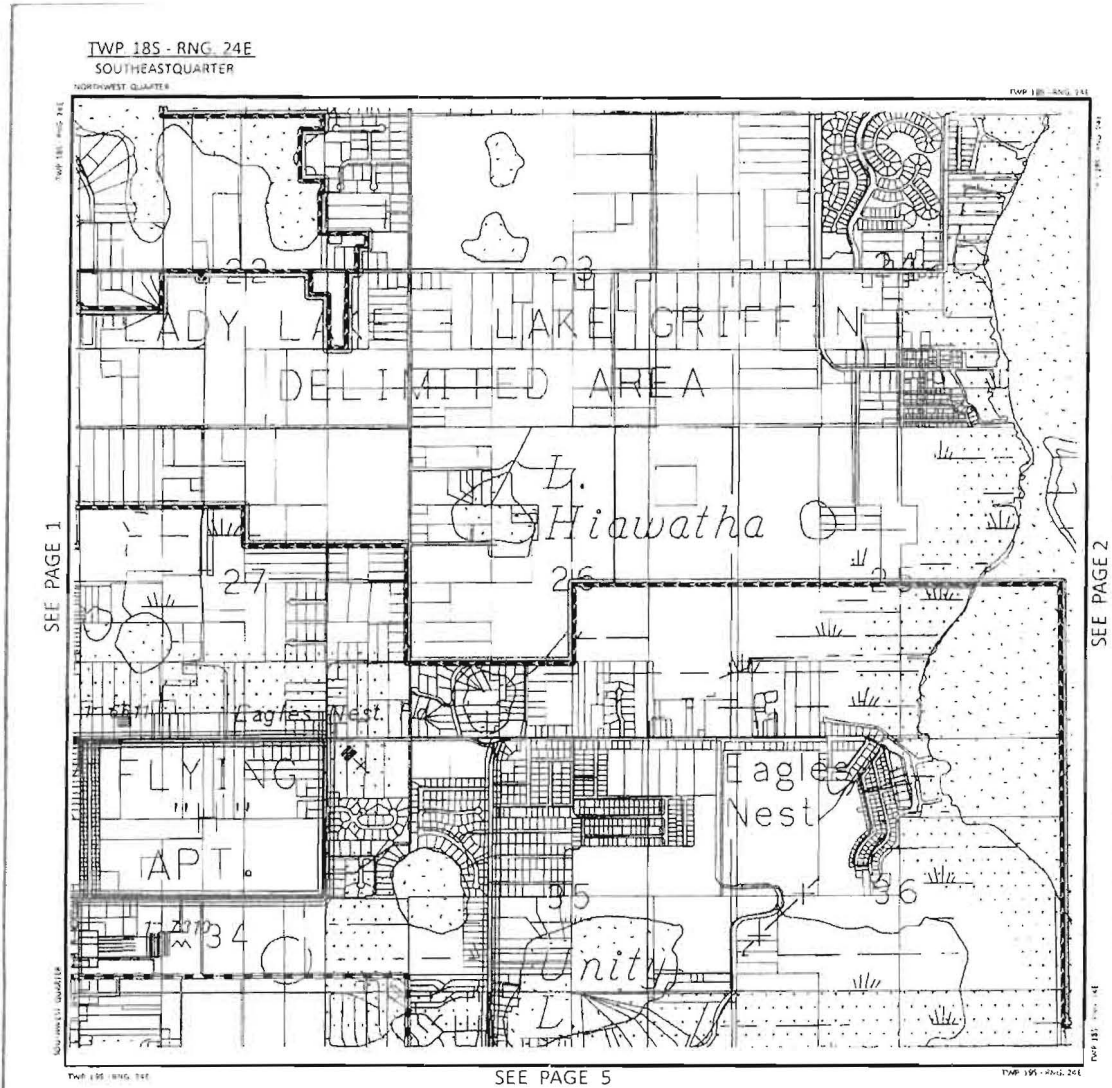
Composite Exhibit "A"



CODE

-  SUMTER ELECTRIC COOPERATIVE INC. SERVICE AREA 2011
-  CITY OF LEESBURG ELECTRIC SERVICE AREA 2011

TERRITORIAL AGREEMENT
 BETWEEN
 SUMTER ELECTRIC COOP INC and CITY OF LEESBURG, FL
 DATE _____ EXHIBIT NO. 1 OF 13 TOTAL EXHIBITS

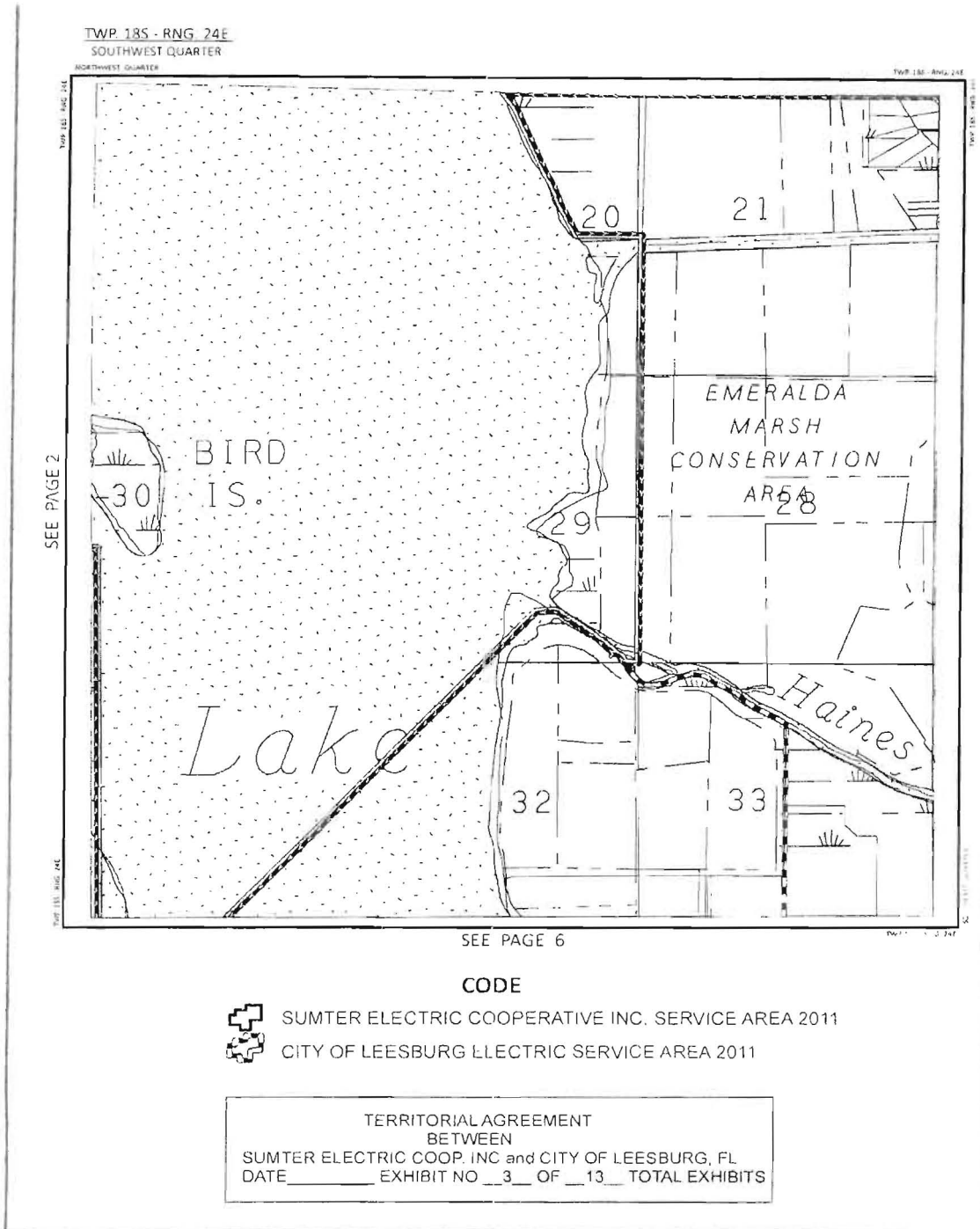


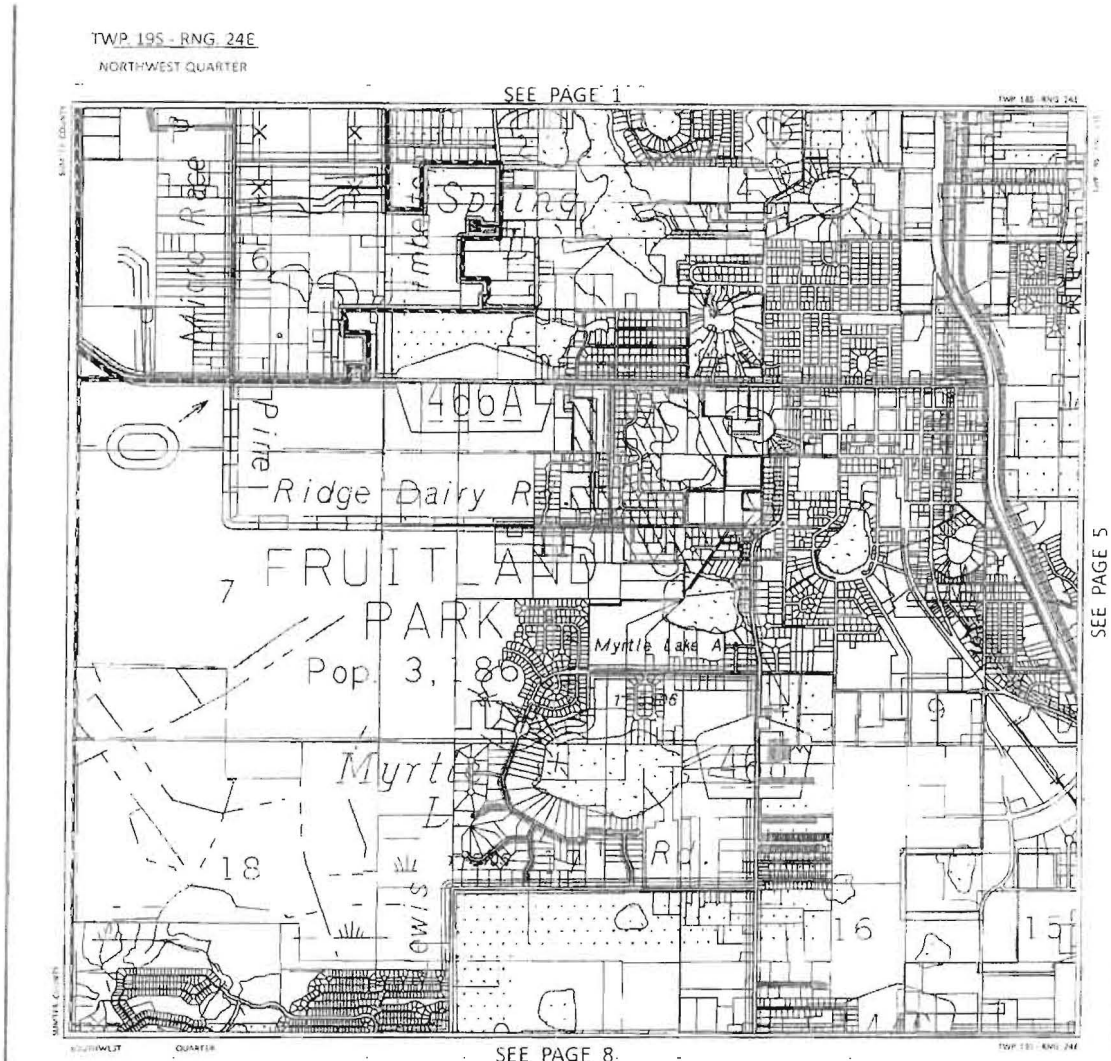
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- SUMTER ELECTRIC COOPERATIVE INC SERVICE AREA 2011
- CITY OF LEESBURG ELECTRIC SERVICE AREA 2011

TERRITORIAL AGREEMENT
BETWEEN
SUMTER ELECTRIC COOP. INC and CITY OF LEESBURG, FL
DATE _____ EXHIBIT NO. 2 OF 13 TOTAL EXHIBITS



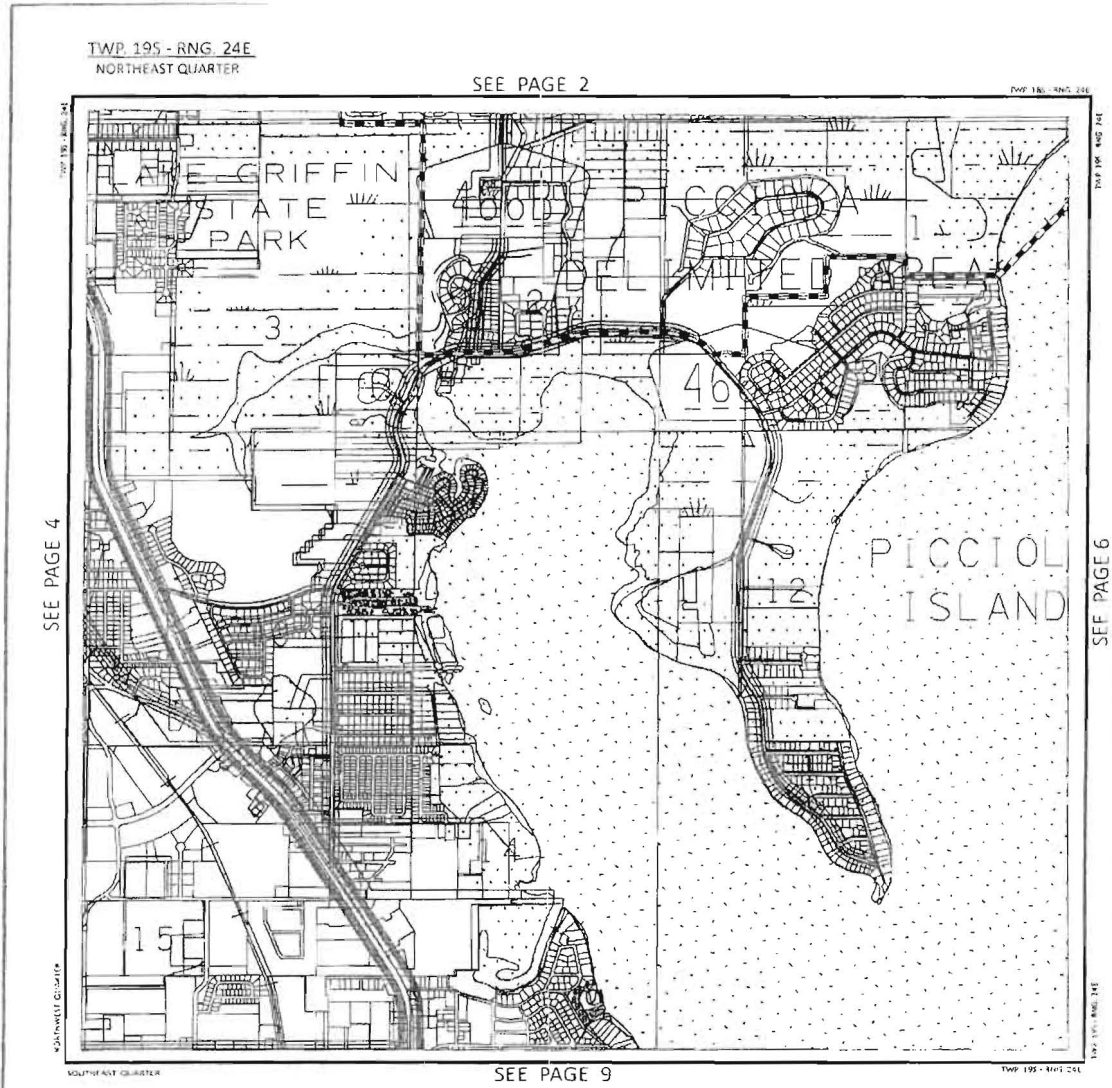


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SUMTER ELECTRIC COOPERATIVE INC. SERVICE AREA 2011
CITY OF LEESBURG ELECTRIC SERVICE AREA 2011

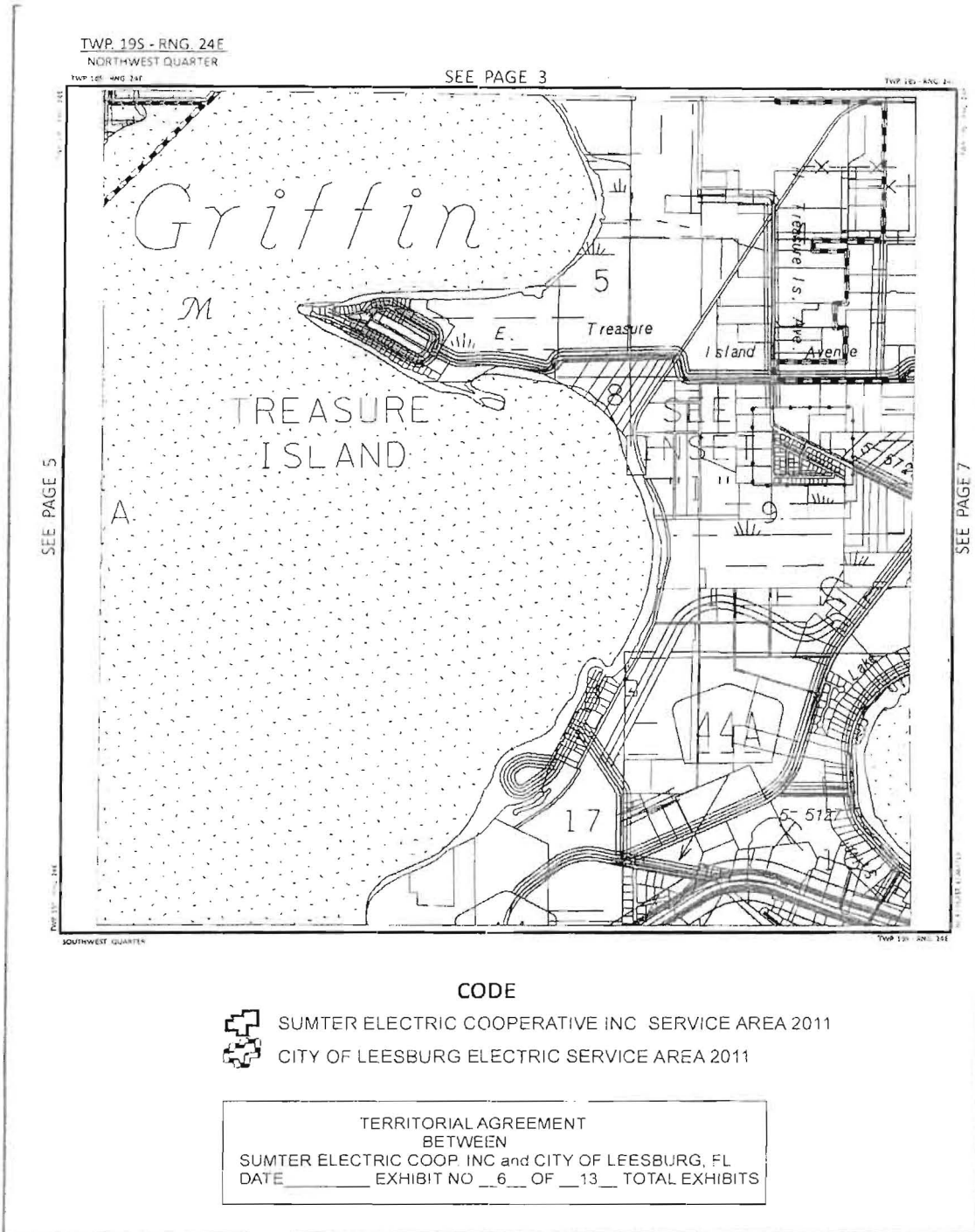
TERRITORIAL AGREEMENT
BETWEEN
SUMTER ELECTRIC COOP INC and CITY OF LEESBURG, FL
DATE _____ EXHIBIT NO 4 OF 13 TOTAL EXHIBITS

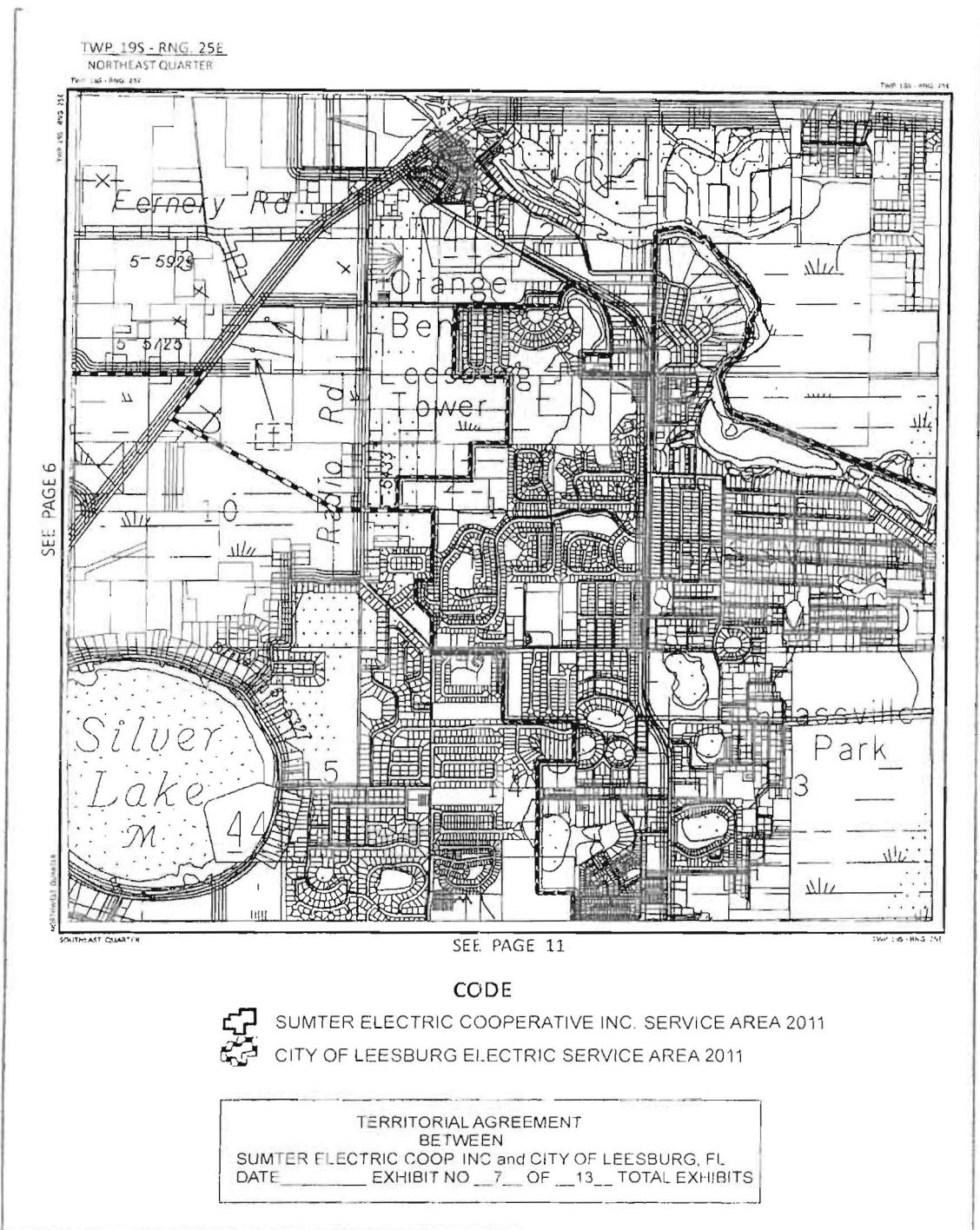


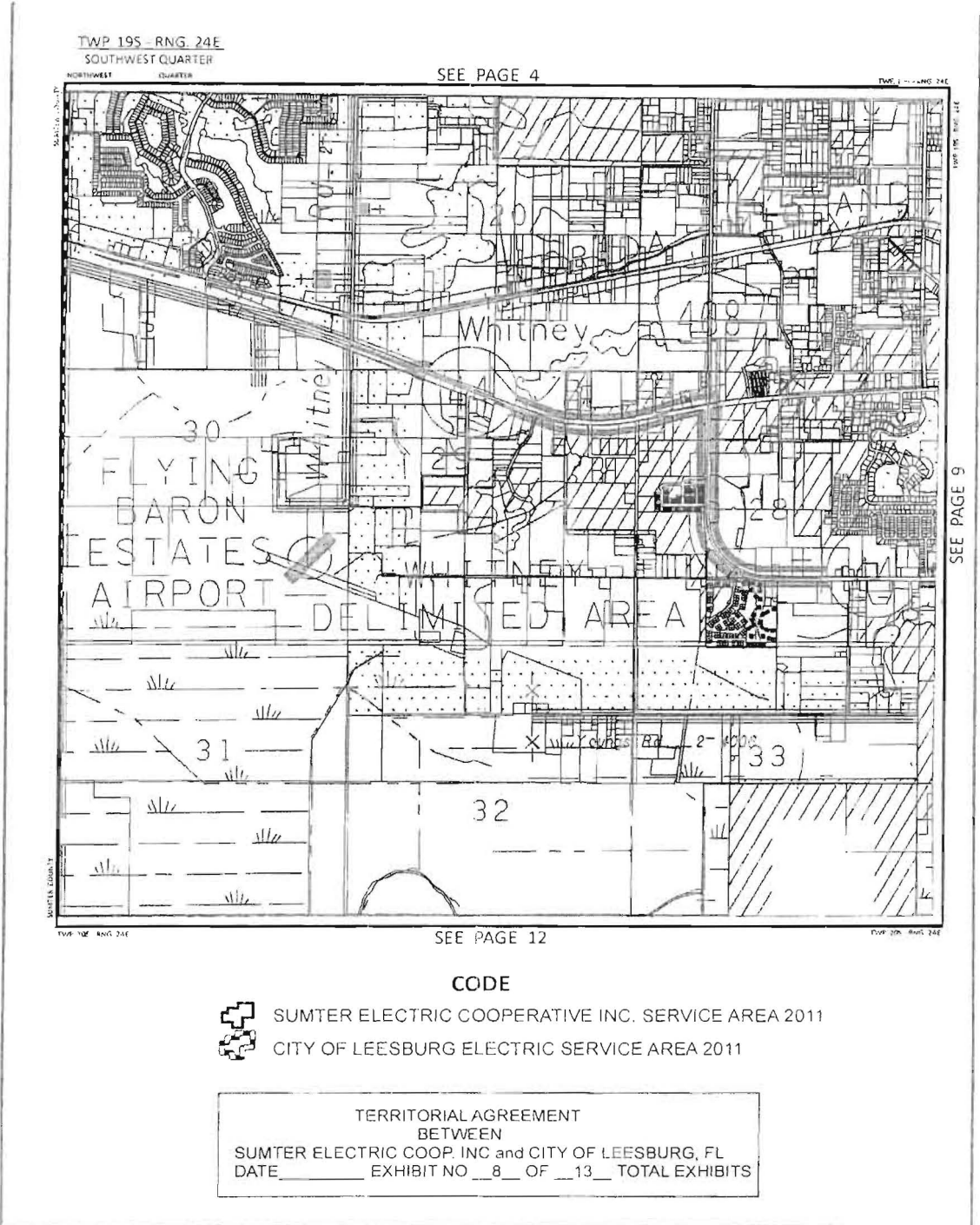
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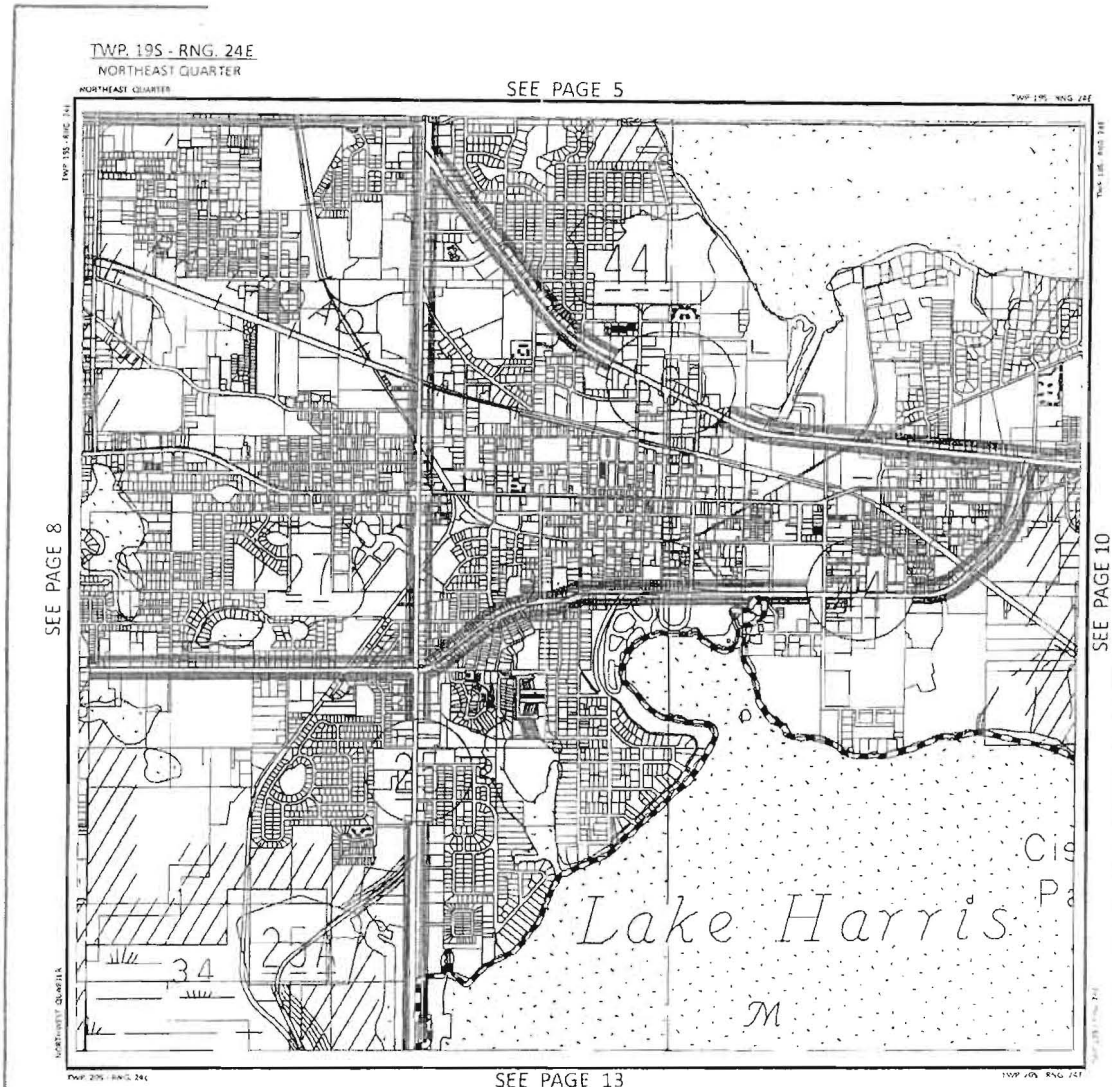
-  SUMTER ELECTRIC COOPERATIVE INC. SERVICE AREA 2011
-  CITY OF LEESBURG ELECTRIC SERVICE AREA 2011

TERRITORIAL AGREEMENT
 BETWEEN
 SUMTER ELECTRIC COOP. INC and CITY OF LEESBURG, FL
 DATE _____ EXHIBIT NO. 5 OF 13 TOTAL EXHIBITS





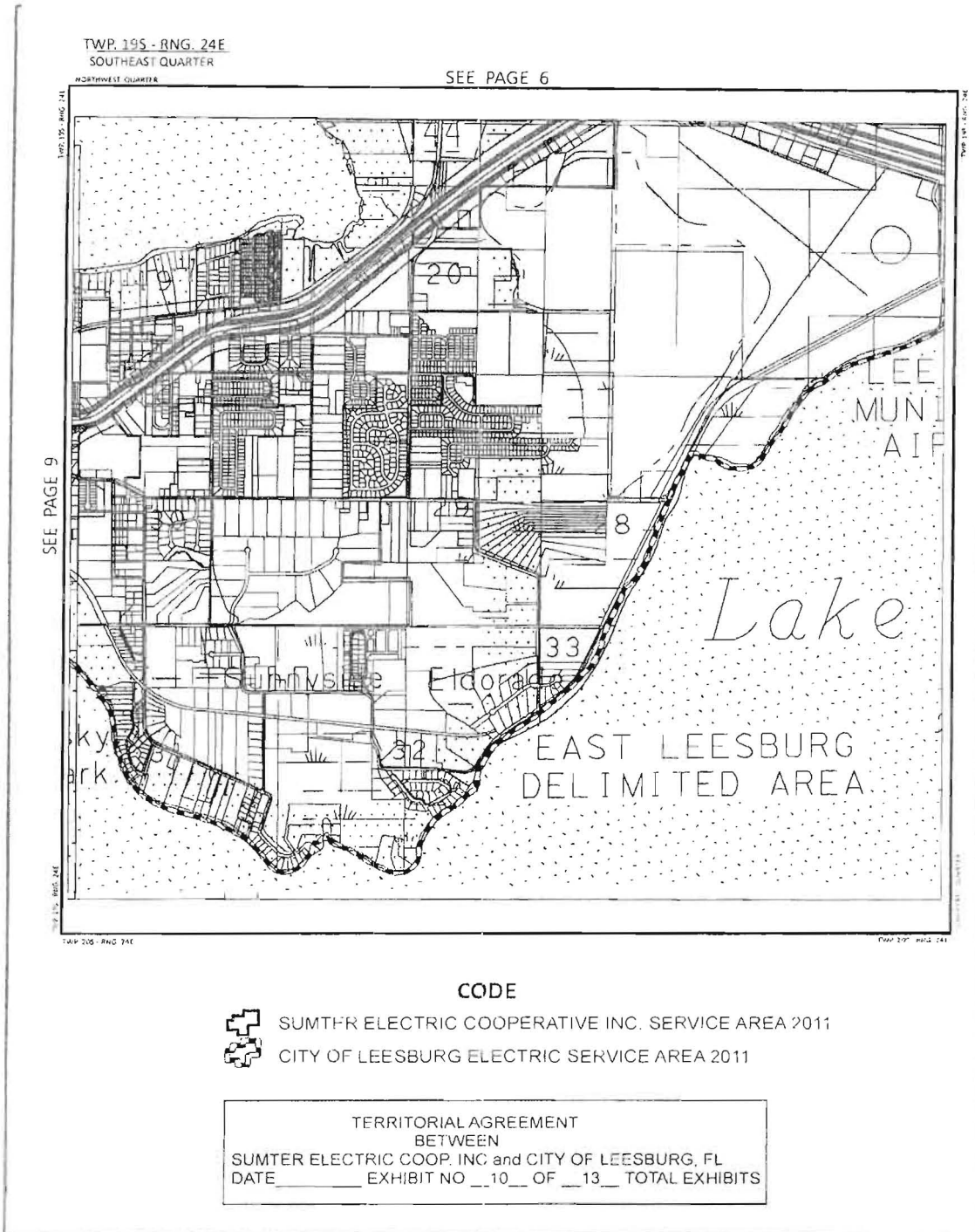


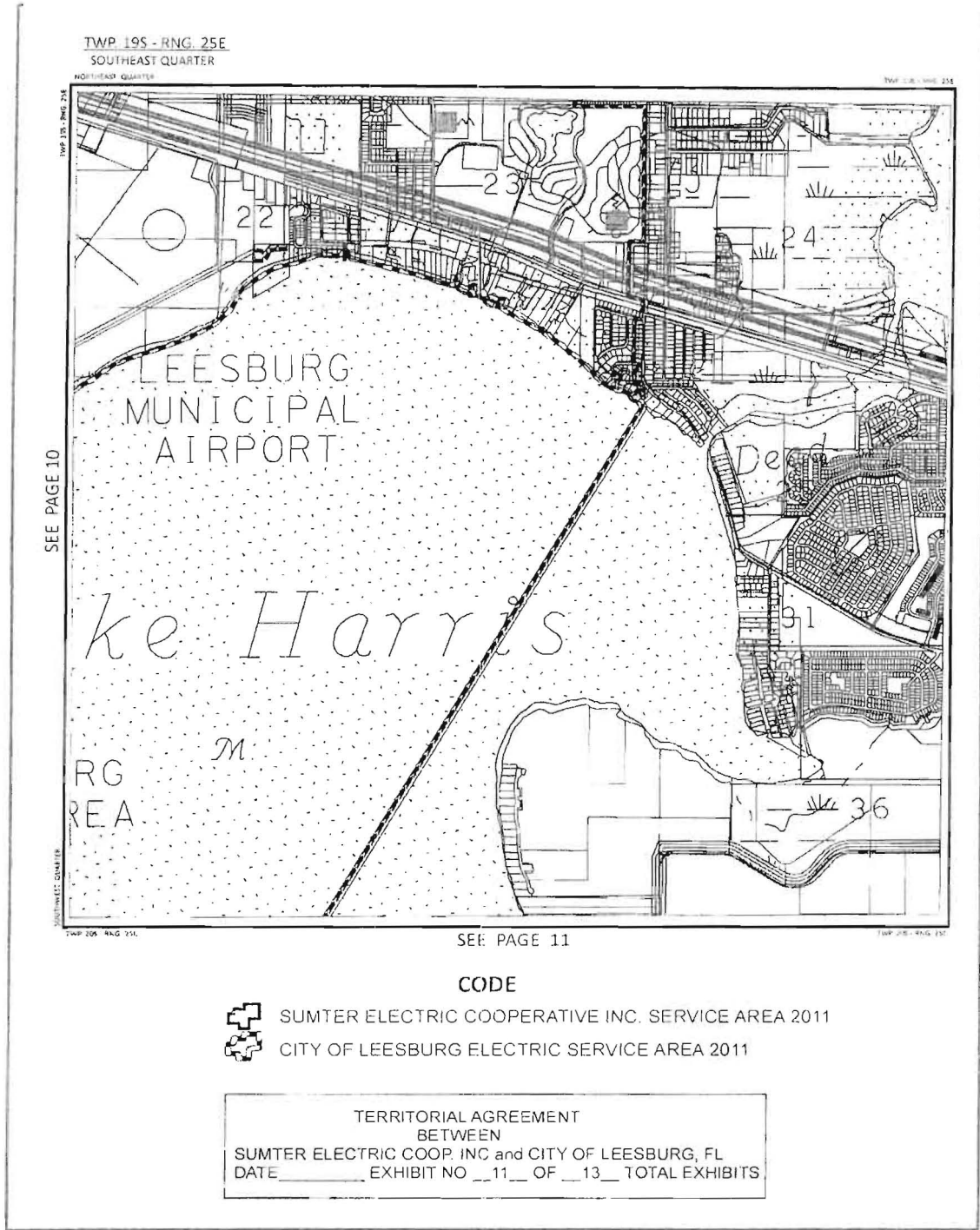


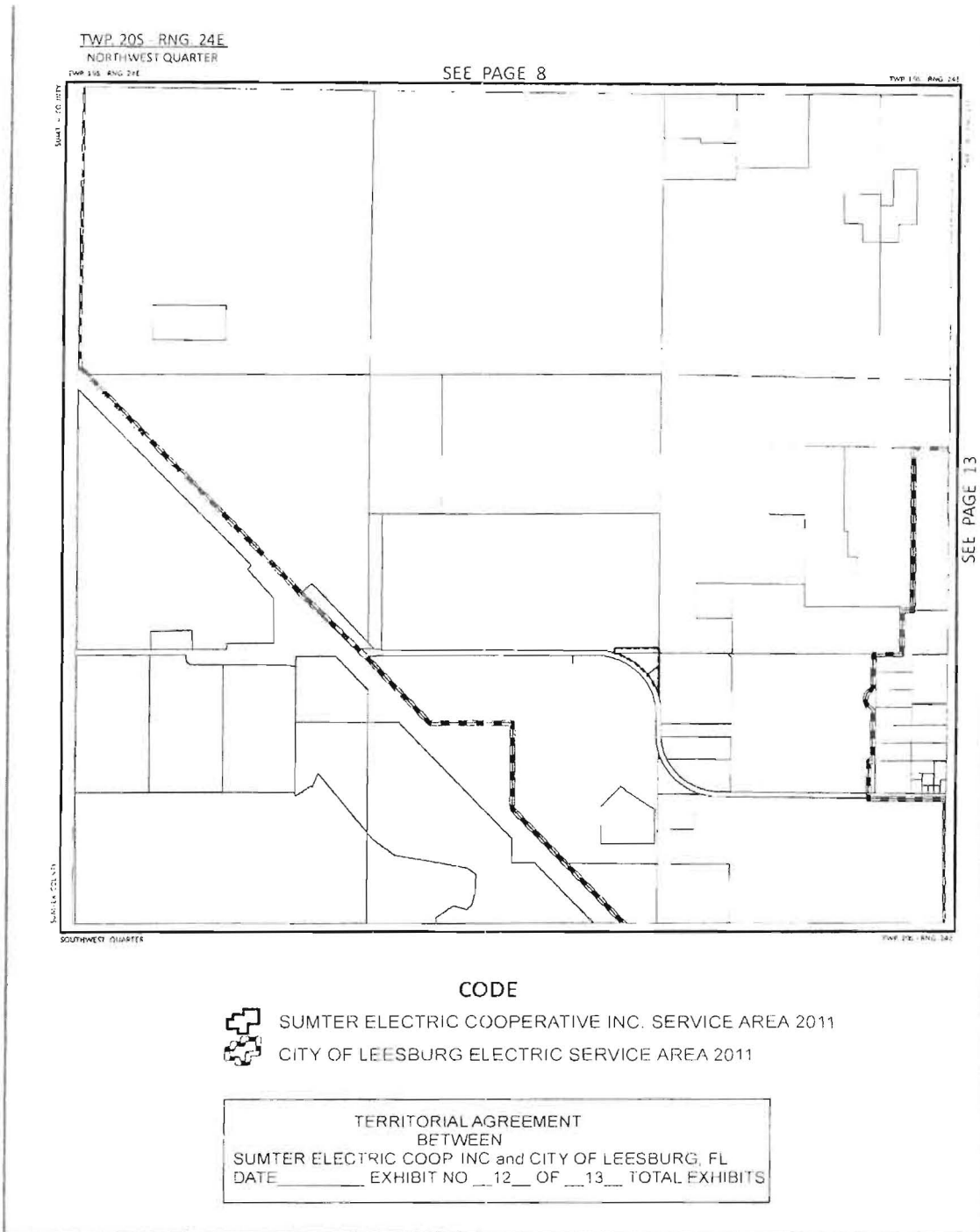
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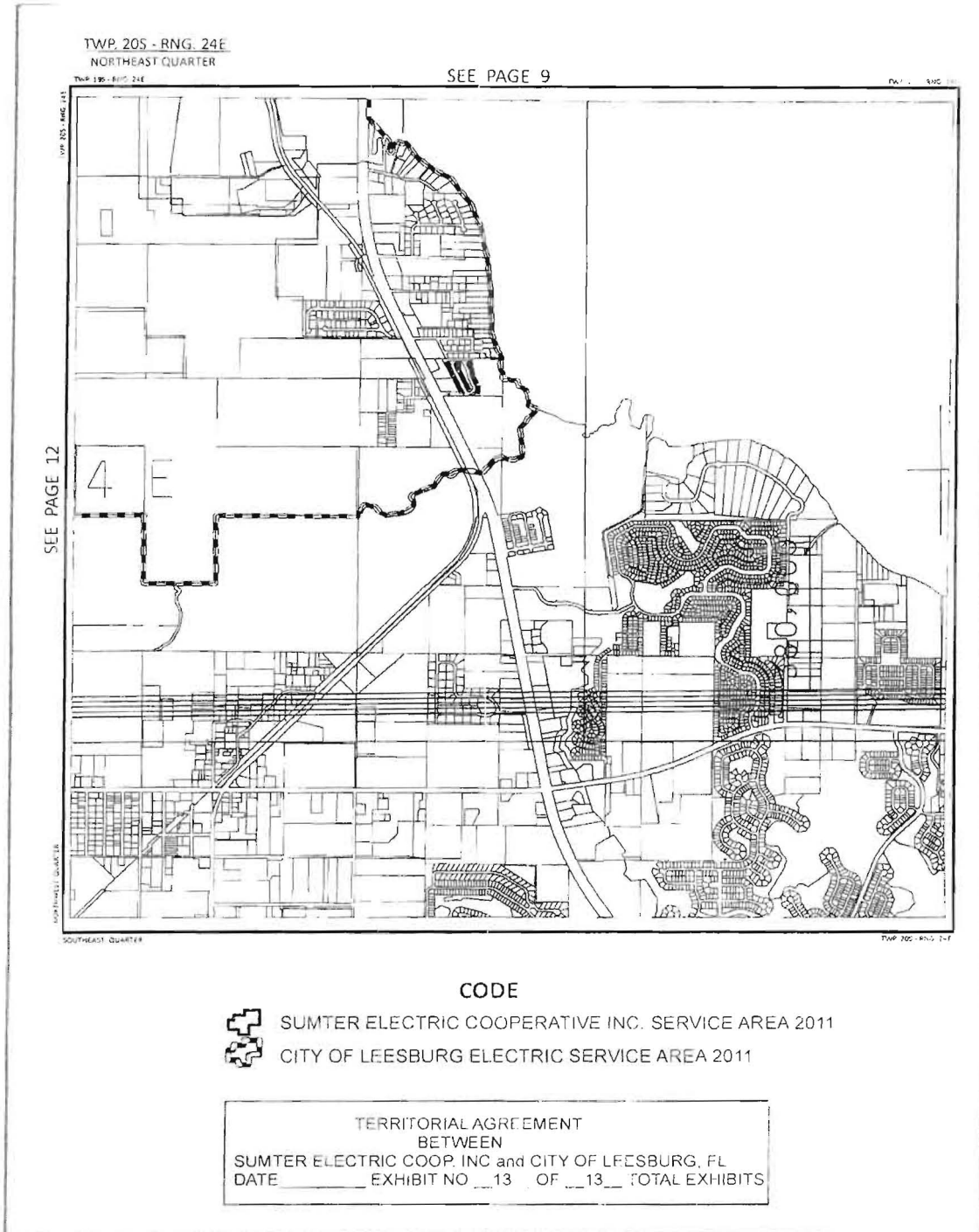
-  SUMTER ELECTRIC COOPERATIVE INC. SERVICE AREA 2011
-  CITY OF LEESBURG ELECTRIC SERVICE AREA 2011

TERRITORIAL AGREEMENT
BETWEEN
SUMTER ELECTRIC COOP. INC and CITY OF LEESBURG, FL
DATE _____ EXHIBIT NO 9 OF 13 TOTAL EXHIBITS









LEGAL DESCRIPTION

PART ONE

THE FOLLOWING IS A METES AND BOUNDS DESCRIPTION IN LAKE COUNTY, FLORIDA, DESCRIBING THE TERRITORIAL BOUNDARY LINE BETWEEN SUMTER ELECTRIC COOPERATIVE, INC., AND THE CITY OF LEESBURG IN LAKE COUNTY, FLORIDA.

BEGIN AT THE INTERSECTION OF THE NORTH WATERS EDGE OF LAKE HARRIS AND THE EAST BOUNDARY LINE OF SECTION 26, TOWNSHIP 19 SOUTH, RANGE 25 EAST; RUN THENCE NORTHWESTERLY ALONG SAID NORTH WATERS EDGE OF LAKE HARRIS, TO THE WESTERLY BOUNDARY OF LOT 26 OF ROD 'N REEL CLUB (PLAT BOOK 16, PAGE 1); RUN THENCE NORTHEASTERLY ALONG SAID WESTERLY BOUNDARY OF LOT 26 AND THE NORTHEASTERLY EXTENSION THEREOF, TO THE NORTHERLY RIGHT-OF-WAY LINE OF ELIZIBETH LANE; RUN THENCE SOUTHEASTERLY AND EASTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, TO THE POINT OF INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF TRACEY LANE; RUN THENCE NORTHERLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE, TO THE POINT OF INTERSECTION WITH THE WESTERLY RIGHT-OF-WAY LINE OF HARRIS ROAD; RUN THENCE NORTHERLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE, TO THE POINT OF INTERSECTION WITH THE NORTHERLY RIGHT-OF-WAY LINE OF LAKE HARRIS CIRCLE (FORMERLY KNOWN AS DOODLE BOY CIRCLE AS SHOWN ON THE RECORD PLAT OF ROD 'N REEL CLUB RECORDED IN PLAT BOOK 16, PAGE 1); RUN THENCE WESTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, TO THE SOUTHWEST CORNER OF LOT 4 OF THE AFORESAID ROD 'N REEL CLUB; RUN THENCE NORTH ALONG THE WEST BOUNDARIES OF LOTS 4, 2 AND 1 OF SAID ROD 'N REEL CLUB, TO THE NORTHWEST CORNER OF SAID LOT 1; RUN THENCE EASTERLY ALONG THE NORTH BOUNDARY OF SAID LOT 1, TO THE AFORESAID WEST RIGHT-OF-WAY LINE OF HARRIS ROAD; RUN THENCE NORTH ALONG SAID WEST RIGHT-OF-WAY LINE, TO THE SOUTHEAST CORNER OF LOT 1 OF SPARKS VILLAGE (PLAT BOOK 13, PAGE 58); RUN THENCE WEST ALONG THE NORTH RIGHT-OF-WAY LINE OF MEMORY LANE, TO THE SOUTHWEST CORNER OF SAID LOT 1; RUN THENCE NORTH ALONG THE WEST BOUNDARIES OF LOTS 1 THROUGH 10 OF SAID SPARKS VILLAGE, TO THE NORTHWEST CORNER OF SAID LOT 10; RUN THENCE EAST ALONG THE SOUTH RIGHT-OF-WAY LINE OF MARGARET DRIVE, TO THE NORTHEAST CORNER OF SAID LOT 10; RUN THENCE NORTH ALONG THE AFORESAID WEST RIGHT-OF-WAY LINE OF HARRIS ROAD, TO A POINT OF INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF U.S. HIGHWAY 441/STATE ROAD 500; RUN THENCE SOUTHEASTERLY ALONG SAID SOUTH RIGHT-OF-WAY LINE, TO A POINT ON THE EAST BOUNDARY OF SECTION 23, TOWNSHIP 19 SOUTH, RANGE 25 EAST; RUN THENCE NORTH ALONG SAID EAST BOUNDARY, TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF SAID U.S. HIGHWAY 441/STATE ROAD 500; RUN THENCE WESTERLY ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID HIGHWAY 441, 300'±, TO A PROPERTY BOUNDARY LINE INTERSECTING SAID U.S. HIGHWAY 441; RUN THENCE NORTH ALONG SAID PROPERTY BOUNDARY LINE, TO AN INTERSECTION WITH THE SOUTH LINE OF THE NORTH ¼ OF SECTION 23, TOWNSHIP 19 SOUTH, RANGE 25 EAST, SAID SOUTH LINE BEING THE SOUTH BOUNDARY LINE OF THE "LAKES OF LEESBURG" A SUBDIVISION IN LAKE COUNTY, FLORIDA, RUN THENCE EASTERLY

ALONG SAID SOUTH LINE TO THE EAST BOUNDARY LINE OF SAID SECTION 23; RUN THENCE NORTH ALONG THE EAST BOUNDARY LINE OF SAID SECTION 23, TO THE NORTHEAST CORNER OF SAID SECTION 23; RUN THENCE WESTERLY ALONG THE NORTH BOUNDARY LINE OF SAID SECTION 23, TO THE NORTHWEST CORNER OF THE NORTHEAST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 23; RUN THENCE NORTH ALONG THE EAST BOUNDARY OF THE SOUTHEAST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHEAST ¼ OF SECTION 14, TOWNSHIP 19 SOUTH, RANGE 25 EAST, TO THE SOUTHEAST CORNER OF THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHEAST ¼ OF SAID SECTION 14; RUN THENCE WEST ALONG THE SOUTH BOUNDARY LINE OF THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHEAST ¼ OF SAID SECTION 14, TO THE SOUTHWEST CORNER OF THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHEAST ¼ OF SAID SECTION 14; RUN THENCE NORTH ALONG THE WEST BOUNDARY OF THE EAST ½ OF THE WEST ¼ OF THE EAST ½ OF SAID SECTION 14, TO THE NORTHWEST CORNER OF THE EAST ½ OF THE SOUTH 495' OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 14; RUN THENCE EAST ALONG THE NORTH BOUNDARY OF THE EAST ½ OF THE SOUTH 495' OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 14, BEING ALSO THE SOUTH BOUNDARIES OF SUMMIT LANDINGS (PLAT BOOK 30, PAGE 62) AND SUMMIT LANDINGS PHASE II (PLAT BOOK 35, PAGE 6), TO THE SOUTHEAST CORNER OF SAID SUMMIT LANDINGS PHASE II; RUN THENCE NORTH ALONG THE EAST BOUNDARY OF SUMMIT LANDINGS PHASE II, TO THE NORTHEAST CORNER OF SAID SUMMIT LANDINGS PHASE II, BEING ALSO THE NORTHEAST CORNER OF THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 14; RUN THENCE WEST ALONG THE NORTH BOUNDARY LINE OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 14, TO THE NORTHWEST CORNER OF THE SOUTHWEST ¼ OF THE NORTHEAST ¼ OF SAID SECTION 14; RUN THENCE NORTH ALONG THE EAST BOUNDARY OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SAID SECTION 14, TO THE CENTERLINE OF TREADWAY SCHOOL ROAD, ALSO BEING THE NORTH BOUNDARY LINE OF SAID SECTION 14; RUN THENCE WEST ALONG THE CENTERLINE OF TREADWAY SCHOOL ROAD TO THE INTERSECTION OF THE CENTERLINE OF RADIO ROAD; RUN THENCE NORTH ALONG THE EAST BOUNDARY LINE OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 11, TOWNSHIP 19 SOUTH, RANGE 25 EAST, 660'± TO THE SOUTHEASTERLY CORNER OF SCOTTISH HIGHLANDS PHASE VV; RUN THENCE NORTHWESTERLY ALONG SAID SCOTTISH HIGHLANDS PHASE VV 420'± TO THE WEST LINE OF SAID SCOTTISH HIGHLANDS PHASE VV; RUN THENCE NORTH ALONG SAID WEST LINE OF SCOTTISH HIGHLANDS PHASE VV TO THE NORTH BOUNDARY OF THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 11; RUN THENCE EAST ALONG THE NORTH BOUNDARY OF THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 11 TO THE NORTHEAST CORNER OF THE NORTHEAST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 11; RUN THENCE NORTH ALONG THE EAST BOUNDARY LINE AND IT'S EXTENSION THEREOF, OF THE NORTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 11, TO A POINT 66 FEET NORTH OF THE SOUTHEAST CORNER OF BLOCK 7 OF SILVER LAKE ESTATES AS RECORDED IN PLAT BOOK 10, PAGES 66-69 OF THE PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; RUN THENCE WESTERLY ALONG A LINE 66 FEET NORTH OF AND PARALLEL WITH THE SOUTH BOUNDARY OF SAID BLOCK 7, TO A POINT OF INTERSECTION WITH THE WEST BOUNDARY OF LOT 7 OF SAID BLOCK 7, SAID POINT BEING 66 FEET NORTH OF THE SW CORNER OF SAID LOT 7, AND THE POINT OF TERMINUS OF THIS DESCRIPTION.

PART TWO

THE FOLLOWING IS A METES AND BOUNDS DESCRIPTION IN LAKE COUNTY, FLORIDA, DESCRIBING THE TERRITORIAL BOUNDARY LINE BETWEEN SUMTER ELECTRIC COOPERATIVE, INC., AND THE CITY OF LEESBURG IN LAKE COUNTY, FLORIDA.

BEGIN AT THE INTERSECTION OF THE EAST BOUNDARY OF SECTION 32, TOWNSHIP 18 SOUTH, RANGE 25 EAST WITH THE CENTERLINE OF HAINES CREEK; RUN THENCE SOUTHERLY, ALONG THE EAST BOUNDARY OF SAID SECTION 32, TO THE SOUTHERLY WATERS EDGE OF HAINES CREEK; THENCE NORTHWESTERLY, ALONG SAID SOUTHERLY WATERS EDGE, TO THE MOST NORTHWESTERLY CORNER OF THE FOLLOWING DESCRIBED PARCEL (DESCRIBED IN OFFICIAL RECORDS BOOK 1133, PAGE 1572); (THAT PART OF SECTION 29, TOWNSHIP 18 SOUTH, RANGE 25 EAST, IN LAKE COUNTY, FLORIDA, LYING SOUTH OF HAINES CREEK); THENCE SOUTHWESTERLY ACROSS THE WATERS OF LAKE GRIFFIN, TO AN INTERSECTION OF THE WATERS EDGE OF LAKE GRIFFIN WITH THE NORTH BOUNDARY OF GOVERNMENT LOT 3 IN SECTION 1, TOWNSHIP 19 SOUTH, RANGE 24 EAST, AND THE POINT OF TERMINUS OF THIS DESCRIPTION.

PART THREE

THE FOLLOWING IS A METES AND BOUNDS DESCRIPTION IN LAKE COUNTY, FLORIDA AND SUMTER COUNTY, FLORIDA, DESCRIBING THE TERRITORIAL BOUNDARY LINE BETWEEN SUMTER ELECTRIC COOPERATIVE, INC., AND THE CITY OF LEESBURG IN LAKE COUNTY, FLORIDA.

BEGIN AT A POINT ON THE NORTH BOUNDARY OF THE SE ¼ OF SECTION 31, TOWNSHIP 18 SOUTH, RANGE 24 EAST, SAID POINT BEING 542.62 FEET WESTERLY OF THE NE CORNER OF SAID SE ¼; RUN THENCE EASTERLY, ALONG SAID NORTH BOUNDARY, 192.61 FEET TO THE NW CORNER OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2099, PAGE 1754, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; RUN THENCE SOUTHERLY, ALONG THE WEST BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2099, PAGE 1754, A DISTANCE OF 625.30 FEET TO THE SW CORNER THEREOF; RUN THENCE EASTERLY, ALONG THE SOUTH BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2099, PAGE 1754, A DISTANCE OF 350.00 FEET TO A POINT ON THE EAST BOUNDARY OF SAID SE ¼, SAID POINT BEING ALSO ON THE WEST BOUNDARY OF SECTION 32; RUN THENCE SOUTH ALONG THE WEST BOUNDARY OF SAID SECTION 32, TO THE NORTHWEST CORNER OF SECTION 5, TOWNSHIP 19 SOUTH, RANGE 24 EAST; RUN THENCE SOUTHERLY ALONG THE WEST BOUNDARY OF SAID SECTION 5, A DISTANCE OF 858' TO THE SOUTHWEST CORNER OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1048, PAGE 2225, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; RUN THENCE EASTERLY ALONG THE SOUTH BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1048, PAGE 2225, A DISTANCE OF 662.36' TO THE SOUTHEAST CORNER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1048, PAGE 2225; RUN THENCE NORTHERLY ALONG THE EAST

BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1048, PAGE 2225, A DISTANCE OF 858', TO THE NORTH BOUNDARY OF SAID SECTION 5; RUN THENCE EAST ALONG THE NORTH BOUNDARY OF SAID SECTION 5, TO THE CENTERLINE OF SPRING LAKE DRIVE; RUN THENCE SOUTH ALONG SAID CENTERLINE OF SPRING LAKE DRIVE, TO A POINT ON THE EASTERLY PROJECTION OF THE NORTH BOUNDARY OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 0625, PAGE 1421, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; RUN THENCE ALONG THE BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 0625, PAGE 1421 THE FOLLOWING SEVEN COURSES; WESTERLY 339.40'; NORTHERLY 87.50'; WESTERLY 180'; SOUTHERLY 200'; EASTERLY 180'; NORTHERLY 87.50'; EASTERLY 339.40' TO A POINT ON THE AFORESAID CENTERLINE OF SPRING LAKE DRIVE; RUN THENCE SOUTH ALONG SAID CENTERLINE OF SPRING LAKE DRIVE, TO THE SOUTHEAST CORNER OF THE SOUTH ½ OF THE WEST ¼ OF THE NORTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 5; RUN THENCE WEST ALONG THE NORTH BOUNDARY OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 5, TO THE NORTHWEST CORNER OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 5; RUN THENCE SOUTH ALONG THE WEST BOUNDARY OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 5, A DISTANCE OF 792' TO THE SOUTHWEST CORNER OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1736, PAGE 2103, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; RUN THENCE EAST ALONG THE SOUTH BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1736, PAGE 2103, A DISTANCE OF 466.97' TO THE NORTHWEST CORNER OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 3922, PAGE 0404, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; RUN THENCE SOUTH ALONG THE WEST BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 3922, PAGE 0404, A DISTANCE OF 264' TO A POINT ON THE NORTH BOUNDARY OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1109, PAGE 0929, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; RUN THENCE WEST ALONG THE NORTH BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1109, PAGE 0929, A DISTANCE OF 73', TO THE NORTHWEST CORNER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1109, PAGE 0929; RUN THENCE SOUTH ALONG THE WEST BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1109, PAGE 0929, A DISTANCE OF 234' TO THE SOUTHWEST CORNER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1109, PAGE 0929; RUN THENCE EAST ALONG THE SOUTH BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1109, PAGE 0929 TO THE WEST RIGHT-OF-WAY LINE OF SPRING LAKE DRIVE; RUN THENCE SOUTH ALONG SAID WEST RIGHT-OF-WAY LINE OF SPRING LAKE DRIVE, TO A POINT ON THE NORTH BOUNDARY OF THE SOUTH ½ OF THE AFORESAID SECTION 5; RUN THENCE WEST ALONG SAID NORTH BOUNDARY OF THE SOUTH ½ OF SECTION 5 TO THE NORTHEAST CORNER OF THE SOUTHEAST ¼ OF SECTION 6, TOWNSHIP 19 SOUTH, RANGE 24 EAST; RUN THENCE WEST ALONG THE NORTH BOUNDARY OF THE SOUTHEAST ¼ OF SAID SECTION 6, A DISTANCE OF 739.67' TO THE NORTHWEST CORNER OF THE FOLLOWING DESCRIBED PARCEL (DESCRIBED IN OFFICIAL RECORDS BOOK 3585, PAGE 2320, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA); {PARCEL 1: COMMENCE AT AN IRON PIPE AT THE NORTHEAST CORNER OF THE SOUTHEAST ¼ OF SECTION 6, TOWNSHIP 19 SOUTH, RANGE 24 EAST, IN LAKE COUNTY, FLORIDA, AND RUN S.00°46'00"W., ALONG THE EAST LINE OF THE SOUTHEAST ¼ A DISTANCE OF 467.14 FEET TO AN IRON PIN LABELED LB-707; THENCE N.89°07'10"W., 621.16 FEET TO AN IRON PIN LABELED LB-707 AND THE POINT OF BEGINNING OF THIS DESCRIPTION;

FROM SAID POINT OF BEGINNING, CONTINUE N.89°07'10"W., 78.00 FEET TO A CONCRETE MONUMENT LABELED RLS-1571; THENCE N.00°45'40"E., 246.27 FEET TO A CONCRETE MONUMENT LABELED RLS-1571; THENCE S.89°07'10"E., 78.00 FEET TO AN IRON PIN LABELED LB-707; THENCE S.00°45'40"W., 246.27 FEET TO THE POINT OF BEGINNING. AND PARCEL 2; BEGIN AT AN IRON PIPE AT THE NORTHEAST CORNER OF THE SOUTHEAST ¼ OF SECTION 6, TOWNSHIP 19 SOUTH, RANGE 24 EAST, IN LAKE COUNTY, FLORIDA, AND RUN S.00°46'00"W., ALONG THE EAST LINE OF THE SOUTHEAST ¼ A DISTANCE OF 467.14 FEET TO AN IRON PIN LABELED LB-707; THENCE N.89°07'10"W., 621.16 FEET TO AN IRON PIN LABELED LB-707; THENCE N.00°45'40"E., 246.27 FEET TO AN IRON PIN LABELED LB-707; THENCE N89°07'10"W., 118.44 FEET TO AN IRON PIN LABELED LB-707; THENCE N.00°45'20"E., 220.10 FEET TO AN IRON PIN LABELED LB-707, SAID POINT BEING ON THE NORTH LINE OF THE SOUTHEAST ¼ OF THE AFOREMENTIONED SECTION 6; THENCE S.89°10'45"E., ALONG THE NORTH LINE OF THE SOUTHEAST ¼ A DISTANCE OF 739.67 FEET TO THE POINT OF BEGINNING.}; RUN THENCE SOUTHERLY ALONG THE WEST BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 3585, PAGE 2320, A DISTANCE OF 220.10'; THENCE CONTINUE ALONG SAID WEST BOUNDARY IN AN EASTERLY DIRECTION 40.44'; THENCE CONTINUE ALONG SAID WEST BOUNDARY IN A SOUTHERLY DIRECTION 246.27' TO THE SOUTHWEST CORNER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 3585, PAGE 2320; RUN THENCE EAST ALONG THE SOUTH BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 3585, PAGE 2320, A DISTANCE OF 400' TO THE NE CORNER OF THE FOLLOWING DESCRIBED PARCEL (DESCRIBED IN OFFICIAL RECORDS BOOK 1749, PAGE 0080, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA); (BEGIN AT THE SOUTHEAST CORNER OF THE NORTHEAST ¼ OF THE SOUTHEAST ¼ OF SECTION 6, TOWNSHIP 19 SOUTH, RANGE 24 EAST, IN LAKE COUNTY, FLORIDA, RUN NORTH 40 FEET MORE OR LESS TO THE NORTHERLY RIGHT-OF-WAY OF STATE ROAD 466A, THENCE WEST ALONG THE NORTHERLY RIGHT-OF-WAY OF STATE ROAD 466A, 300 FEET TO THE POINT OF BEGINNING; RUN THENCE NORTH 0 DEGREES 45'40" EAST 812.9 FEET; RUN THENCE NORTH 89 DEGREES 07'10" WEST 300 FEET, RUN THENCE SOUTH 0 DEGREES 45'40" WEST 135.9 FEET; RUN THENCE NORTH 89 DEGREES 07'10" WEST 100 FEET; RUN THENCE SOUTH 0 DEGREES 45'40" WEST 429.83 FEET; RUN THENCE SOUTH 89 DEGREES 07'10" EAST 365.97 FEET; THENCE RUN SOUTH 0 DEGREES 45'40" WEST 246.97 FEET TO THE NORTHERLY RIGHT-OF-WAY OF STATE ROAD 466A, THENCE EASTERLY ALONG SAID RIGHT-OF-WAY TO THE POINT OF BEGINNING.); RUN THENCE SOUTH ALONG THE EAST BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1749, PAGE 0080, A DISTANCE OF 812.9' TO THE NORTH RIGHT-OF-WAY LINE OF COUNTY ROAD C466A; RUN THENCE WEST ALONG SAID NORTH RIGHT-OF-WAY LINE, 34' +/- TO THE SOUTHEAST CORNER OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2045, PAGE 1563, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; RUN THENCE NORTH ALONG THE EAST BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2045, PAGE 1563, TO THE NORTHEAST CORNER OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2045, PAGE 1563; RUN THENCE WEST A DISTANCE OF 299.9' TO THE NORTHWEST CORNER OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2294, PAGE 0216, PUBLIC RECORDS OF LAKE COUNTY, FLORIDA; RUN THENCE SOUTH ALONG THE WEST BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2294, PAGE 0216, TO THE CENTERLINE OF COUNTY ROAD C466A; RUN THENCE WEST ALONG SAID CENTERLINE OF SAID COUNTY ROAD C466A TO THE NORTHEAST CORNER OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SAID SECTION 6, THENCE

CONTINUE WEST ALONG THE NORTH LINE OF SAID SOUTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SECTION 6 TO THE WEST BOUNDARY LINE OF SAID SECTION 6; RUN THENCE SOUTH ALONG THE WEST BOUNDARY OF THE SOUTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ OF SAID SECTION 6; THENCE CONTINUE SOUTH ALONG THE WEST BOUNDARIES OF SECTIONS 7 & 18, TOWNSHIP 19 SOUTH, RANGE 24 EAST TO THE NE CORNER OF SECTION 24, TOWNSHIP 19 SOUTH, RANGE 23 EAST; RUN THENCE WESTERLY, ALONG THE NORTH BOUNDARY OF SAID SECTION 24, A DISTANCE OF 735.38 FEET TO THE NW CORNER OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1135, PAGE 0228 OF THE PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA AND THE POINT OF TERMINUS OF THIS DESCRIPTION.

PART FOUR

BEGIN AT AN INTERSECTION WITH THE WEST BOUNDARY OF SECTION 6, TOWNSHIP 20 SOUTH, RANGE 24 EAST, AND THE NORTHEASTERLY RIGHT OF WAY LINE OF THE FLORIDA TURNPIKE; THENCE SOUTHERLY ALONG SAID RIGHT OF WAY LINE TO AN INTERSECTION WITH THE NORTHERLY RIGHT OF WAY LINE OF COUNTY ROAD 48 AND THE POINT OF TERMINUS OF THIS DESCRIPTION.

<i>First Name</i>	<i>Last Name</i>	<i>Billing Name</i>	<i>Address</i>	<i>City</i>	<i>Zip Code</i>	<i>Phone Number</i>	<i>Residential or Commercial</i>	<i>County Code</i>
<i>Transfer from SECO to City of Leesburg</i>								
DON	GALBREATH	GALBREATH DON	1236 MILLER RD	FRUITLAND PARK	34731	7284504	RESIDENTIAL	LAKE
ROGER	RICE	RICE ROGER	33746 RADIO RD	LEESBURG	34788	7420142	RESIDENTIAL	LAKE

Exhibit "B"

EXHIBIT "C"
[INTENTIONALLY LEFT BLANK]

<i>First Name</i>	<i>Last Name</i>	<i>Billing Name</i>	<i>Address</i>	<i>City</i>	<i>Zip Code</i>	<i>Phone Number</i>	<i>Residential or Commercial</i>	<i>County Code</i>
<i>Transfer from SECO to City of Leesburg</i>								
DOM	GALBREATH	GALBREATH DON	1236 MILLER RD	FRUITLAND PARK	34731	7284504	RESIDENTIAL	LAKE
ROGER	RICE	RICE ROGER	33746 RADIO RD	LEESBURG	34788	7420142	RESIDENTIAL	LAKE

Exhibit "D"

EXHIBIT "E"

[INTENTIONALLY LEFT BLANK]

ORDER NO. PSC-12-0064-PAA-EU

DOCKET NO. 110272-EU

PAGE 37

<i>First Name</i>	<i>Last Name</i>	<i>Billing Name</i>	<i>Address</i>	<i>City</i>	<i>Zip Code</i>	<i>Phone Number</i>	<i>Residential or Commercial</i>	<i>County Code</i>
DON	GALBREATH	GALBREATH DON	1236 MILLER RD	FRUITLAND PARK	34731	7284504	RESIDENTIAL	LAKE
ROGER	RICE	RICE ROGER	33746 RADIO RD	LEESBURG	34788	7420142	RESIDENTIAL	LAKE

Exhibit "B"



July 26, 2011

Don Galbreath
1236 Miller Rd.
Fruitland Park, FL 34731

Dear Mr. Galbreath:


To ensure that electric utilities in Florida, such as Sumter Electric Cooperative, Inc. (SECO), 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. These agreements help avoid the unnecessary costly construction of duplicate electric distribution lines and other facilities to serve their customers. Approval of the Florida Public Service Commission (FPSC) is required to ensure these objectives are met.

Over the past many years, we at SECO have had the pleasure of serving customers in your immediate area under a territorial agreement approved by the FPSC in 1991 between our company and our neighboring utility, the City of Leesburg utilities. We have entered into an amended territorial agreement with Leesburg that will soon be filed with the FPSC which 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 customers have the opportunity prior to that approval to provide their comments to the Commission.

If approved by the FPSC, the terms of the amended territorial agreement call on the City of Leesburg utilities to provide electric service in your area. Your account would be transferred to the City of Leesburg at some point within the next three years. While we regret losing the opportunity to serve you in the future, the City of Leesburg is an excellent utility and we are confident you will find their service to be satisfactory. You will not need to do anything to initiate this transfer since SECO and City of Leesburg will handle all of the arrangement on your behalf. You will be contacted and provided additional information closer to the date of the actual transfer.

As of July, 2011, the residential rate for City of Leesburg for 1,000 Kilowatt-Hours (KWH) was \$125.77. Comparatively, as of July, 2011, the residential rate for SECO for 1,000 Kilowatt-Hours (KWH) is \$124.25. The rates of both utilities are subject to change and may be raised or lowered in the future.

Please contact Customer Service if you have any questions or concerns about the proposed transfer of your service to the City of Leesburg, or if you would like information about contacting the FPSC. You may reach us by phone at 1-352-793-3801 or in writing to Customer Service, Sumter Electric Cooperative, Inc., P.O. Box 301, Sumterville, FL 33585.

A Touchstone Energy® Cooperative 
The power of human connections

PO Box 301
330 South US Highway 301
Sumterville, FL 33585-0301
(352) 793-3801

50 West Ardice Avenue
Eustis, FL 32726-6561
(352) 357-5600

850 North Howey Road
Groveland, FL 34736-2134
(352) 429-2195

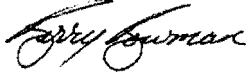
610 US Highway 41 South
Inverness, FL 34450-6030
(352) 726-3944

4872 SW 60th Avenue
Ocala, FL 34474-4316
(352) 237-4107

Composite Exhibit "C"

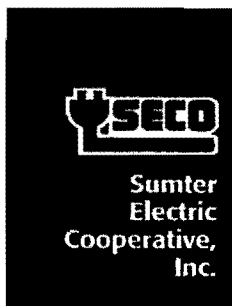
Page 2
July 26, 2011

Sincerely,

A handwritten signature in black ink, appearing to read "Barry Bowman". The signature is written in a cursive style with a large, sweeping initial "B".

Barry Bowman, CRMP
Director of Corporate Communications &
Energy Services

BB/er



July 26, 2011

Roger Rice
33746 Radio Rd.
Leesburg, FL 34788

Dear Mr. Rice:


To ensure that electric utilities in Florida, such as Sumter Electric Cooperative, Inc. (SECO), 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. These agreements help avoid the unnecessary costly construction of duplicate electric distribution lines and other facilities to serve their customers. Approval of the Florida Public Service Commission (FPSC) is required to ensure these objectives are met.

Over the past many years, we at SECO have had the pleasure of serving customers in your immediate area under a territorial agreement approved by the FPSC in 1991 between our company and our neighboring utility, the City of Leesburg utilities. We have entered into an amended territorial agreement with Leesburg that will soon be filed with the FPSC which 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 customers have the opportunity prior to that approval to provide their comments to the Commission.

If approved by the FPSC, the terms of the amended territorial agreement call on the City of Leesburg utilities to provide electric service in your area. Your account would be transferred to the City of Leesburg at some point within the next three years. While we regret losing the opportunity to serve you in the future, the City of Leesburg is an excellent utility and we are confident you will find their service to be satisfactory. You will not need to do anything to initiate this transfer since SECO and City of Leesburg will handle all of the arrangement on your behalf. You will be contacted and provided additional information closer to the date of the actual transfer.

As of July, 2011, the residential rate for City of Leesburg for 1,000 Kilowatt-Hours (KWH) was \$125.77. Comparatively, as of July, 2011, the residential rate for SECO for 1,000 Kilowatt-Hours (KWH) is \$124.25. The rates of both utilities are subject to change and may be raised or lowered in the future.

Please contact Customer Service if you have any questions or concerns about the proposed transfer of your service to the City of Leesburg, or if you would like information about contacting the FPSC. You may reach us by phone at 1-352-793-3801 or in writing to Customer Service, Sumter Electric Cooperative, Inc., P.O. Box 301, Sumterville, FL 33585.

A Touchstone Energy® Cooperative 
The power of human connections

P.O. Box 301
330 South US Highway 301
Sumterville, FL 33585-0301
(352) 793-3801

50 West Ardise Avenue
Eustis, FL 32726-6561
(352) 357-5600

850 North Honey Road
Groveland, FL 34736-2234
(352) 429-2195

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Page 2
July 26, 2011

Sincerely,

A handwritten signature in black ink, appearing to read "Barry Bowman". The signature is written in a cursive, flowing style.

Barry Bowman, CRMP
Director of Corporate Communications &
Energy Services

BB/er
