

State of Florida



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** November 18, 2013  
**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk  
**FROM:** Elisabeth J. Draper, Economic Supervisor, Division of Economics  
**RE:** Docket No. 130258-GU

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EDD

Place place the attached documents in the docket file.

RECEIVED-FPSC  
13 NOV 18 PM 4: 04  
COMMISSION  
CLERK

## Elisabeth Draper

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**From:** Keating, Beth <BKeating@gunster.com>  
**Sent:** Monday, November 18, 2013 12:14 PM  
**To:** Patti Daniel; Elisabeth Draper  
**Subject:** Notice - Fort Meade  
**Attachments:** Fort Meade Article 101613.pdf; Fort Meade-Notice-09-2013 Approved by FH.DOC

Patti,

The attached notice went out with the City's October Bills. The attached article also reflects the purchase. Please don't hesitate to give me a call if you have any questions or concerns. I hope this is helpful.

Beth



**GUNSTER**  
FLORIDA'S LAW FIRM FOR BUSINESS

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1,100 CUSTOMERS CAN EXPECT SMOOTH TRANSITION, SPOKESWOMAN SAYS

# Fort Meade City Commission Plans to Sell

By SUZIE SCHOTTELKOTTE  
THE LEDGER

FORT MEADE | The city is expecting to close on the sale of its natural gas system to Florida Public Utilities in early December, but service to Fort Meade's estimated 1,100 customers shouldn't miss a beat.

"We're doing all the final preparations now to make this a smooth transition," said Aleida Socarras, sales and marketing director for the utility.

City Manager Fred Hilliard said recently the city is ready to make the change.

"The biggest transfer for us will be the inventory we have on hand," he said, referring to parts and material to service

the system. "But we've been slowing down on everything we've been purchasing. We knew this sale was coming, so we have just kept the system operating for the last few months."

The city is selling the system for \$820,000 in cash and economic development incentives. The utility is giving the city \$20,000 annually for five years to promote economic development, bringing the total revenue from the sale to \$920,000.

The city also will collect an annual franchise fee totaling an estimated \$10,000.

Florida Public Utilities approached the city with a proposal in the spring, which

prompted TECO's People Gas to come forward with its own proposal.

In the end, city commissioners elected to sign on with FPU because it serves Bartow, which is just north of Fort Meade, and it would provide a level of service that mirrors what the city has given its customers, Hilliard said.

The City Commission gave preliminary approval to a proposed franchise agreement in September, and a final vote is scheduled for Nov. 12.

Hilliard said the natural gas system hasn't made much money for the city in a long time.

Last year, the system generated about \$6,000 in profit,

which is about \$4,000 less than the franchise fee the city will collect.

"We'll make more on the franchise fee than we did as operator of the system," Hilliard said. "We're not doing anything and making \$4,000. That's not a bad deal."

Socarras said the utility is working on details of the transition that will lighten the load for customers.

For example, any deposits on file with the city will be transferred to FPU, so existing customers won't have to pay new deposits.

The company also is reviewing the current billing schedule so customers can stay on the same cycle. However, cus-

tomers won't see the gas billing on Fort Meade any longer.

"We will need to do proper communication. People will know we have a separate Socarras said.

She said the utility is working on details of the transition that will lighten the load for customers. Meade customers will see bills in person in the future.

Hilliard said the city has specific plans for the transition, but that will be finalized once the sale is closed.

"We'll put it in a fund to start, then we'll see what direction we take," he said.

He said the city

Vision





## **IMPORTANT NOTICE**

The City of Fort Meade and Florida Public Utilities Company (FPUC) are pleased to notify the residents of Fort Meade that they have entered into negotiations for the City's natural gas system. Currently, the parties are in the process of finalizing purchase and franchise agreements.

On October 8, 2013, the Fort Meade City Commission approved the purchase agreement for the assets of the City's natural gas system. An anticipated closing is expected on or before December 2, 2013. It is further expected that FPUC will be granted a non-exclusive 30-year franchise to provide gas distribution services within the City of Fort Meade at the November's Council meeting. FPUC, a regulated utility, will file a tariff shortly with the Florida Public Service Commission.

The City of Fort Meade was diligent in its selection of FPUC who was chosen because of its proven ability to provide residents with reliable service. The City is confident in FPUC's commitment to implement tangible improvements to assure the integrity of the infrastructure, providing long-term certainty to the community.

FPUC provides safe, reliable and competitively priced energy services to communities in growing markets throughout Florida. With a rich 83-year history serving its neighbors, FPUC is looking forward to playing a vital role in Fort Meade as it continues its tradition of supporting the communities it services and assumes its position as an area partner, dedicated to strengthening growth and business development.