

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for declaratory statement or other )  
relief regarding the expiration of the Vero Beach )  
electric service franchise agreement, by the Board )  
of County Commissioners, Indian River County, )  
Florida )

Docket No. 140142-EM

Filed: August 22, 2014

**FLORIDA POWER & LIGHT COMPANY'S RESPONSE TO PETITION**

Florida Power & Light Company ("FPL"), pursuant to Order No. PSC-14-0425-PCO-EM, hereby submits its response to the Petition filed in the above-referenced docket and states as follows:

1. On July 21, 2014, the Board of County Commissioners of Indian River County, Florida ("Petitioner" or "Board") petitioned the Commission for a declaratory statement regarding the rights, duties and responsibilities of the Board once the franchise agreement granted by the Board to the City of Vero Beach ("COVB") expires in 2017 and how electric service may thereafter be provided to electric customers within Indian River County. The Board specifically seeks declarations regarding the effect of the expiration of the franchise on the Commission-approved territorial agreement between COVB and FPL. FPL was granted intervenor status on August 19, 2014.

2. FPL is sympathetic to the plight of those Indian River County customers seeking lower electric bills. To that end, FPL and COVB have invested almost five years to complete a sale of COVB's electric system to FPL, to bring lower electric bills to all customers including those in Indian River County represented by the Petitioner. FPL estimates that COVB customer savings would approximate \$15 million per year. However, it has always been FPL's view that

certain contracts between COVB and the Florida Municipal Power Agency (“FMPA”) would need to be cleared in order for those savings to be realized. FPL went so far as to agree to pay FMPA’s previous request of \$52 million to facilitate FMPA’s agreement to release COVB from those contracts. FPL and COVB each have presented additional proposed solutions to concerns FMPA has raised. Ultimately, in each case FMPA has taken positions that under its current structure and financing arrangements it cannot agree to any of FPL and/or COVB’s proposals. FPL continues to stand by those proposals and its purchase and sale agreement with COVB. Likewise FPL would continue to support efforts by COVB, the current electric service provider to the franchised area, to work with FMPA on a collaborative and reasonable solution. FPL still firmly believes that the sale is possible assuming all parties are willing and working together in good faith. FPL understands and even shares the frustration of the Petitioner and the Indian River County customers represented by the Petitioner.

3. Nonetheless, it is FPL’s position that the Petitioner’s requested declaratory statements should be dismissed or denied to the extent the declarations it seeks run counter to the Florida Public Service Commission’s exclusive and superior jurisdiction over territorial matters and the planning, development, and maintenance of a coordinated power supply grid throughout Florida. FPL asserts that the Florida Public Service Commission has exclusive jurisdiction to approve territorial agreements and regulate territorial boundaries, notwithstanding the expiration of any franchise agreement, and that such approved territorial agreements continue until modified by the Commission. *See Public Service Commission v. Fuller*, 551 So. 2d 1210 (Fla. 1989).

Respectfully submitted this 22<sup>nd</sup> day of August, 2014.

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**CERTIFICATE OF SERVICE  
DOCKET NO. 140142-EM**

I HEREBY CERTIFY that a true and correct copy of FPL's Response was served electronically this 22<sup>nd</sup> day of August, 2014, to the following:

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