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STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
CARLOTTA S. STAUFFER
COMMISSION CLERK
(850) 413-6770

Public Service Commission

August 21, 2018

Robert S. Cohen, Director and Chief Judge
Division of Administrative Hearings
1230 Apalachee Parkway
Tallahassee, Florida 32399-3060

Re: Request for assignment of an Administrative Law Judge
FPSC Docket No. 20180055-GU, *Petition to resolve territorial dispute in Sumter County and/or Lake County with City of Leesburg and/or South Sumter Gas Company, LLC, by Peoples Gas System*

Dear Chief Judge Cohen:

The Florida Public Service Commission requests the assignment of an Administrative Law Judge to handle a territorial dispute between Peoples Gas System (Peoples), the City of Leesburg (Leesburg) and South Sumter Gas Company, LLC (SSGC). Pursuant to Section 366.04(3)(b), Florida Statutes, and Rule 27-7.0472, Florida Administrative Code, on February 28, 2018, Peoples filed its petition requesting the Commission to resolve a territorial dispute between Peoples and Leesburg and SSGC to determine the service provider for new residential neighborhoods in Sumter County.

On April 2, 2018, SSGC and Leesburg filed separate motions to dismiss Peoples' petition and requests for oral argument. On April 9, 2018, Peoples filed separate responses in opposition to SSGC and Leesburg's motions to dismiss and requests for oral argument. The Commission heard oral argument on these motions on June 5, 2018, and issued an order denying the motions to dismiss on June 28, 2018, Order No. PSC-2018-0335-PCO-GU.

Peoples' initial petition and the Order denying Leesburg's and SSGC's motions to dismiss are attached. Please let me know what other documents and support the Commission needs to provide to the Division to process these hearings.

Sincerely,

A handwritten signature in blue ink that reads "Carlotta S. Stauffer".

Carlotta S. Stauffer
Commission Clerk

/css
cc: Keith Hetrick, General Counsel
Attachments



ATTORNEYS & COUNSELORS AT LAW EST. 1884

One Tampa City Center, Suite 2000
201 N. Franklin Street
P.O. Box 1531 (33601)
Tampa, FL 33602
813.273.4200 Fax: 813.273.4396

WWW.MFMLEGAL.COM
EMAIL: INFO@MFMLEGAL.COM

625 Court Street, Suite 200
P.O. Box 1669 (33757)
Clearwater, FL 33756
727.441.8966 Fax: 727.442.8470

In Reply Refer to:
Tampa
ab@macfar.com

February 23, 2018

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

**Re: NEW FILING - Petition to resolve territorial dispute in Sumter County
and/or Lake County with City of Leesburg and/or South Sumter Gas
Company, LLC, by Peoples Gas System**

Dear Ms. Stauffer:

Attached for electronic filing with the Commission on behalf of Peoples Gas System, please find Peoples' Petition referenced above.

Your assistant in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb
Attachment

cc: Parties of Record
Ms. Kandi M. Floyd
Ansley Watson, Jr., Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to resolve territorial dispute in)
Sumter County and/or Lake County with)
City of Leesburg and/or South Sumter Gas)
Company, LLC, by Peoples Gas System.)
_____)

Docket No. 2018_____ -GU
2-23-2018

PETITION OF PEOPLES GAS SYSTEM

Peoples Gas System ("Peoples" or the "Company"), by its undersigned counsel and pursuant to Section 366.04(3)(b), *Florida Statutes*, and Rule 25-7.0472, *Florida Administrative Code*, petitions the Commission to resolve a territorial dispute between Peoples and City of Leesburg ("Leesburg") and/or South Sumter Gas Company, LLC ("South Sumter Gas"),¹ and states:

1. The name of the petitioner and the mailing address of its principal office are:

Peoples Gas System
P.O. Box 111
Tampa, Florida 33601-0111

2. The names, mailing addresses and other contact information of the persons authorized to receive notices and communications with respect to this petition are:

Andrew M. Brown, Esquire
ab@macfar.com
(813) 273-4209
Ansley Watson, Jr., Esquire
aw@macfar.com
(813) 695-5900
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

Paula K. Brown
regdept@tecoenergy.com
(813) 228-4111
Regulatory Affairs
Peoples Gas System
P. O. Box 111
Tampa, Florida 33601-0111

¹ Because of many provisions of the Gas System Construction Agreement (as hereinafter defined and as attached as part of Composite Exhibit B) between South Sumter Gas and Leesburg, it is unclear to Peoples with which "natural gas utility" the dispute which is the subject of this petition needs to be resolved (*i.e.*, Leesburg, South Sumter Gas, or the combination of Leesburg and South Sumter Gas created by the Gas System Construction Agreement)..

Kandi M. Floyd
kfloyd@tecoenergy.com
(813) 228-4668
Manager – State Regulatory
Peoples Gas System
P. O. Box 111
Tampa, Florida 33601-0111

3. Section 366.04(3)(b), *Florida Statutes*, confers on the Commission jurisdiction to resolve any territorial dispute involving service areas between and among natural gas utilities. In resolving territorial disputes, the Commission may consider, without limitation, the ability of the utilities to expand services within their own capabilities and the nature of the area involved, including population, the degree of urbanization of the area, its proximity to other urban areas, and the present and reasonably foreseeable future requirements of the area for other utility services.

4. Peoples is a natural gas local distribution company ("LDC") providing sales and transportation delivery of natural gas throughout most of the State of Florida to a total of approximately 380,000 customers, and is a "natural gas utility" as defined in Section 366.04(3)(c), *Florida Statutes*, subject to the Commission's statutory jurisdiction to resolve territorial disputes.

5. Leesburg is a Florida municipality which operates a natural gas distribution system in portions of Lake and Sumter Counties which is a "natural gas utility" as defined in Section 366.04(3)(c), *Florida Statutes*, subject to the Commission's statutory jurisdiction to resolve territorial disputes.

6. Upon information and belief, South Sumter Gas is a Florida limited liability company formed on or about March 22, 2017. Despite its name, upon information and belief, South Sumter Gas currently provides no natural gas service and has no customers.

7. Currently, Peoples has extensive natural gas distribution facilities in Sumter County which serve approximately 19,387 residential and commercial customers. It has provided natural gas service in Sumter County since its acquisition by merger in 1997 of West Florida Natural Gas Company. The vast majority of Peoples' customers in Sumter County are located in various

communities of The Villages.²

8. Leesburg currently has limited natural gas distribution facilities and customers in Sumter County. Virtually all its facilities and customers are currently located in Lake County in and around the City of Leesburg. According to Leesburg's web site, it has 11,722 natural gas customers.

9. Peoples personnel observed natural gas construction materials near the intersection of County Roads 468 and 501 in Sumter County in late December 2017, and met with the Director of the Leesburg Gas Department on January 11, 2018 to determine what was going to be constructed and to avoid a potential territorial dispute. The Peoples personnel were told they would need to have the discussion with the management of The Villages, and the Gas Director would not entertain any further discussion.

10. Leesburg had submitted construction notices to the Commission as required by Rule 25-12.082, *Florida Administrative Code*. Copies of those notices are attached hereto as Composite Exhibit A, and reflect planned construction of natural gas facilities in Sumter County immediately adjacent to existing natural gas facilities of Peoples. Some of the facilities to be constructed would cross an existing Peoples distribution main. Three of the notices contain the following comment: "Hamlet Construction will be installing these mains which are anticipated to be operated by the City of Leesburg Natural Gas Department [or Natural gas system]." The drawings or maps submitted with these three notices, however, bear a label reading, in part, "The Villages, SOUTH SUMTER GAS EXHIBIT."

11. The Agenda for the February 12, 2018 meeting of the Leesburg City Commission contained the following two items:

Item 5.D. Resolution to execute an Agreement with South Sumter Gas Company, LLC to provide Natural Gas Service to portions of the Villages

² According to its web site, The Villages is "a 55+ active adult retirement community located in central Florida, and is ranked number one in the United States for active-adult retirement communities. . . . " See the Frequently Asked Questions regarding The Villages at www.thevillages.com/faq/index.html.

Community located in Wildwood, Florida; and

Item 5.E. First reading of an ordinance creating Section 22-250 of the Code of Ordinances, setting forth rate parameters for providing natural gas within the Villages service area.

Materials included in the Agenda for Item 5.D. are attached hereto as Composite Exhibit B, and the materials for Item 5.E. are attached as Composite Exhibit C. Peoples did not become aware of these agenda items until on or about February 8, 2018.

12. In order to obtain a meeting with the management of The Villages, and at the request of a Villages management representative, Peoples did not attend the Leesburg City Commission meeting on February 12, 2018. However, upon information and belief, Peoples alleges that at the February 12, 2018 meeting of the Leesburg City Commission, the resolution for Item 5.D. above was adopted and the first reading of the ordinance creating Section 22-250 of the Code of Ordinances took place.

13. The Natural Gas System Construction, Purchase, and Sale Agreement between South Sumter Gas and Leesburg (the "Gas System Construction Agreement") included as part of the materials for Agenda Item 5.D. is briefly summarized in the Agenda Memorandum on the first page of Composite Exhibit B, the "Analysis" portion of which reads as follows:

South Sumter Gas Company, LLC (SSGC) is constructing natural gas infrastructure in the Villages Community generally located within the City of Wildwood, south of U.S. Highway 44. Upon completion of each section, they wish to convey ownership of the system, to the City of Leesburg, for maintenance and operation of the system.

Currently it is estimated that there will be 14,000 natural gas homes built over the next 4-5 years. This number is expected to significantly increase as new land is acquired by The Villages. Under this Agreement Leesburg is obligated to fund construction of a 6" main line on County Road 501 and another in the future on U.S. Highway 44 and 468. Both lines are necessary to supply gas to the Developments. The City also agrees to supply the automated reading devices, which will assure accuracy and efficient reading of meters over manual reads. Automated reading devices are currently being used for all 12,000 of Leesburg's natural gas customers.

In consideration of SSGC's significant investment in the design, engineering, and construction of the system, the City of Leesburg agrees to share with SSGC revenue realized from the sale of natural gas to residential and commercial customers within the community. To accomplish the objectives of the Agreement, Leesburg will establish a Villages Natural Gas rate, which in aggregate will mirror the rate paid by

similarly situated customers in the Villages who are currently served by TECO, Peoples Gas. The term of the Agreement is for 30 years, consistent with the Franchise that will be granted by the City of Wildwood. Leesburg has the option to terminate the Agreement at any time, should revenues not meet the threshold established in the agreement.

14. Peoples was granted a non-exclusive 30-year franchise by the City of Wildwood in August 2009. Upon information and belief, the first reading of a City of Wildwood ordinance granting a 30-year franchise to Leesburg took place at the Wildwood City Commission meeting held February 12, 2018.

15. The schematic map attached hereto as Exhibit D shows the city limits of both Leesburg and Wildwood, as well as the areas covered by the Leesburg construction notices included in Composite Exhibit A and portions of Peoples current distribution system in the general area. The map attached as Exhibit E shows (i) Peoples' existing system in the area, (ii) Peoples' understanding of Leesburg's existing system in the area, and (iii) the areas covered by the Leesburg construction notices in Composite Exhibit A.

16. By this petition, Peoples alleges that a territorial dispute exists between Peoples and Leesburg, or between Peoples and South Sumter Gas, or between Peoples and the combination of Leesburg and South Sumter Gas contemplated by the Gas System Construction Agreement, with respect to the rights of each to serve customers in Sumter County, including those areas included in The Villages. The dispute exists because the natural gas facilities either under construction or to be constructed by Leesburg, or by South Sumter Gas for operation and maintenance by Leesburg, would uneconomically duplicate existing natural gas facilities currently operated by Peoples in many portions of the area covered and to be covered by the Gas System Construction Agreement. In addition, the Gas System Construction Agreement contemplates the construction of natural gas facilities by South Sumter Gas (to be operated by Leesburg) within areas capable of being more economically served by Peoples.

17. Representatives of Peoples have met with representatives of Leesburg and South

Sumter Gas in an effort to identify ways in which the dispute might be resolved, but were advised that it was intended that all areas of future developments of The Villages, including those identified on the map attached hereto as Exhibit E, be served by Leesburg.

18. Peoples asserts that the Commission should resolve the territorial dispute by determining that Peoples is best suited to provide natural gas service to all customers in the areas of Sumter and Lake Counties identified as Peoples Gas service area on the map attached hereto as Exhibit E. The service Peoples can provide to customers in these areas is superior to the service Leesburg, or South Sumter Gas, or the combination of Leesburg and South Sumter Gas will be able to provide because of, among other things, Peoples' experience and staffing, upstream pipeline connections, diversity of supply, provision of transportation service to qualified customers, and conservation and customer appliance programs.

19. Peoples submits that, based on the application of relevant criteria and considerations, including but not limited to the considerations set forth in Rule 25-7.0472, *Florida Administrative Code*, it is in the public interest for Peoples to serve the disputed areas identified on Exhibit E to this petition.

WHEREFORE, Peoples requests the Commission to exercise its jurisdiction over the territorial dispute alleged herein, expeditiously conduct proceedings, including an evidentiary hearing, to resolve any disputed issues of fact, and issue its order directing Peoples to provide natural gas service to the disputed areas identified on Exhibit E to this petition.

Respectfully submitted,



ANDREW M. BROWN

Telephone: (813) 273-4209

Facsimile: (813) 273-4396

ab@macfar.com

ANSLEY WATSON, JR.

Telephone: (813) 273-4321

Facsimile: (813) 273-4396

aw@macfar.com

Macfarlane Ferguson & McMullen

Post Office Box 1531

Tampa, Florida 33601-1531

Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing petition has been furnished to the following by means of the following, this 23rd day of February, 2018:

Al Minner, City Manager
City of Leesburg
501 West Meadow Street
Leesburg, FL 34748
(Via U. S. Mail)

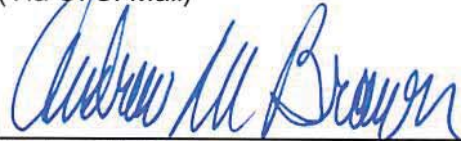
Jack Rogers, Director, Gas Department
City of Leesburg
501 West Meadow Street
Leesburg, FL 34748
(Via U. S. Mail)

South Sumter Gas Company, LLC
1020 Lake Sumter Landing
The Villages, FL 32162
(Via U. S. Mail)

Fred A. Morrison, Esquire
City Attorney, City of Leesburg
McLin Burnsed
1000 West Main Street
P.O. Box 491357
Leesburg, FL 34748
(Via U. S. Mail and E-mail attachment)

Brian D. Hudson, Esquire
As Registered Agent for
South Sumter Gas Company, LLC
1020 Lake Sumter Landing
The Villages, FL 32162
(Via U. S. Mail)

South Sumter Utility Company, LLC
Attention: Kelsea Morse Manly
1020 Lake Sumter Landing
The Villages, FL 32162
(Via U. S. Mail)



Andrew M. Brown

EXHIBIT A

FLORIDA PUBLIC SERVICE COMMISSION

PIPELINE CONSTRUCTION NOTIFICATION

TO: Rick Moses, Bureau Chief
Bureau of Safety and Reliability
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

FROM: City of Leesburg Gas Department
Dawn Barrett, Compliance Specialist
306 S. 6th Street
Leesburg, FL. 34748

Date of Notification: Dec. 5, 2017

Pursuant to Florida Public Service Commission Rule 25-12.082, written notice is hereby given in reference to a major construction project or alteration of natural gas pipeline facilities.

Location:

CR 501 commencing at CR 470 and going North 2.8 miles

Start Date: December 21, 2017

Completion Date: Feb. 4, 2018

Diameter of Pipe: 6.625"

Length of Pipe: 2.8 miles

Type of Materials: 6" nominal steel pipe, X52, .0188" wall

Comments:

Hamlet Construction will be constructing this gas main which is anticipated to be owned and operated by the City of Leesburg Natural Gas System.



Signature

Director
Title

Copy to: Hassan Badran
(Local Area Safety Engineer), PSC

Notes: Major construction is defined as both 2 inches in diameter and 2,000 feet or more in length. Attached construction and site maps, if available.

City of Leesburg
Post Office Box 490630

306 S. 6th Street
Leesburg, FL 34748



Phone: 352-728-9840
Fax: 352-326-6636

Leesburg, FL 34748

Date: December 5, 2017

Mr. Rick Moses
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Construction notice

Mr. Moses

Pursuant to Chapter 25-12.082 Construction Notice, written Notice shall be given to the Commission at least 15 days prior to the start of all major construction or alteration of pipeline facilities, stating the size, approximate location and contemplated time of construction. Notice is required when the pipeline involved is either at least 2 inches in diameter as well as 2,000 feet or more in length.

Please accept this letter as our official notification to the Commission that we will be performing work that meets these criteria. Specific information about this project is listed below.

Pipe Diameter/ Material: 6.625" nominal steel pipe, X52, .118 wall

Total Length of Pipe: 2.8 miles

Location: CR 501 commencing at CR470 and going north 2.8 miles

Projected Start Date: Dec. 21, 2017

Projected End Date: Feb. 4, 2018

Description of Project: Installing 6.625" gas main to service a future subdivision on CR 501. A general location map is attached.

FLORIDA PUBLIC SERVICE COMMISSION

PIPELINE CONSTRUCTION NOTIFICATION

TO: Rick Moses, Bureau Chief
Bureau of Safety and Reliability
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

FROM: City of Leesburg Gas Department
Dawn Barrett, Compliance Specialist
306 S. 6th Street
Leesburg, FL. 34748

Date of Notification 12/7/17

Pursuant to Florida Public Service Commission Rule 25-12.082, written notice is hereby given in reference to a major construction project or alteration of natural gas pipeline facilities.

Location: _____
The Villages, South Sumter. South West corner of C-501 and C-468. Bigham West

Estimated Construction Schedule:
Start Date: 12/23/17 **Completion Date:** 7/15/18
Diameter of Pipe: 2", 4", 6" **Length of Pipe:** 29,875', 4,033', 4,629'
Type of Materials: MDPE Pipe and Fittings

Comments: Hamlet Construction will be installing these mains which are anticipated to be operated by the City of Leesburg Natural gas system.



Signature

Director of Gas
Title

Copy to: Hasan Badran
(Local Area Safety Engineer), PSC

Notes: Major construction is defined as both 2 inches in diameter and 2,000 feet or more in length. Attached construction and site maps, if available.

City of Leesburg
Post Office Box 490630

306 S. 6th Street
Leesburg, FL 34748



Phone: 352-728-9840
Fax: 352-326-6636

Leesburg, FL 34748

Date: 12/07/17

Mr. Rick Moses
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Construction notice

Mr. Moses

Pursuant to Chapter 25-12.082 Construction Notice, written Notice shall be given to the Commission at least 15 days prior to the start of all major construction or alteration of pipeline facilities, stating the size, approximate location and contemplated time of construction. Notice is required when the pipeline involved is either at least 2 inches in diameter as well as 2,000 feet or more in length.

Please accept this letter as our official notification to the Commission that we will be performing work that meets these criteria. Specific information about this project is listed below.

Pipe Diameter/ Material: 2", 4", 6" MDPE

Total Length of Pipe: 29,875', 4,033', 4,629' respectively

Location: The Villages, South Sumter. South West corner of C-501 and C-468. Bigham West

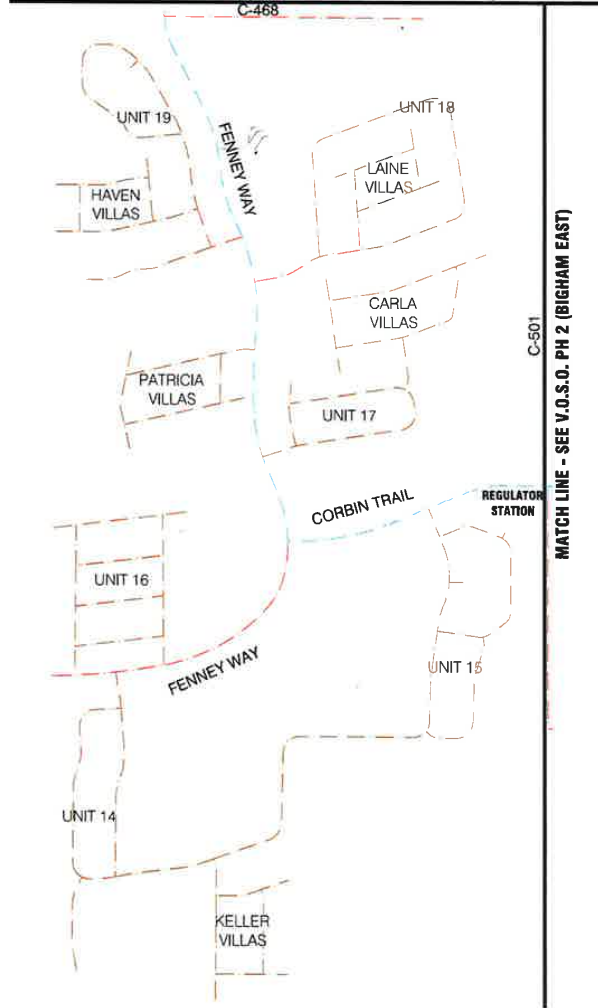
Projected Start Date: 12/23/17 Projected End Date: 7/15/18

Description of Project: Hamlet Construction is installing MDPE gas mains which are anticipated to be operated by the City Of Leesburg Natural Gas Department.

The Villages
SOUTH SUMTER GAS EXHIBIT
 V.O.S.O. PH 1 (BIGHAM WEST)
 12/06/2017



MATCH LINE - SEE V.O.S.O. PH 3 (BIGHAM NORTH)



SECTION TOWNSHIP RANGE
 33 19S 23E

LEGEND
 — = 2" GAS (29,875 LF)
 - - - = 4" GAS (4,033 LF)
 - - - = 6" GAS (4,629 LF)

CONSTRUCTION BEGINS: 15 DAYS FOLLOWING NOTIFICATION TO PSC
COMPLETION DATE: 7-15-18

FARNER
BOURLEY
 AND ASSOCIATES, INC.
 Certificate of Authorization Number: 4709
 4450 N.E. 63rd Road, Midwood, Florida 34763 (352) 746-3126

FLORIDA PUBLIC SERVICE COMMISSION

PIPELINE CONSTRUCTION NOTIFICATION

TO: Rick Moses, Bureau Chief
Bureau of Safety and Reliability

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

FROM: City of Leesburg Gas Department
Dawn Barrett, Compliance Specialist
Jack Rogers, Director of Gas
306 S. 6th Street
Leesburg, FL. 34748

Date of Notification 12/8/17

Pursuant to Florida Public Service Commission Rule 25-12.082, written notice is hereby given in reference to a major construction project or alteration of natural gas pipeline facilities.

Location: _____
The Villages, South Sumter. North West corner of C-501 and C-468. Bigham North

Estimated Construction Schedule:

Start Date: 1/1/18 **Completion Date:** 2/15/19

Diameter of Pipe: 2", 6" **Length of Pipe:** 17,215', 7,066'

Type of Materials: MDPE Pipe and Fittings

Comments: Hamlet Construction will be installing these mains which are anticipated to be operated by the City of Leesburg Natural Gas Department.


Signature

Director of Gas
Title

Copy to: Hasan Badran
(Local Area Safety Engineer), PSC

Notes: Major construction is defined as both 2 inches in diameter and 2,000 feet or more in length. Attached construction and site maps, if available.

City of Leesburg
Post Office Box 490630

306 S. 6th Street
Leesburg, FL 34748



Phone: 352-728-9840
Fax: 352-326-6636

Date: 12/08/17

Mr. Rick Moses
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Construction notice

Mr. Moses

Pursuant to Chapter 25-12.082 Construction Notice, written Notice shall be given to the Commission at least 15 days prior to the start of all major construction or alteration of pipeline facilities, stating the size, approximate location and contemplated time of construction. Notice is required when the pipeline involved is either at least 2 inches in diameter as well as 2,000 feet or more in length.

Please accept this letter as our official notification to the Commission that we will be performing work that meets these criteria. Specific information about this project is listed below.

Pipe Diameter/ Material: 2", 6" MDPE

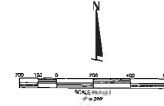
Total Length of Pipe: 17,215', 7,066' respectively

Location: The Villages, South Sumter. North West corner of C-501 and C-468. Bigham North

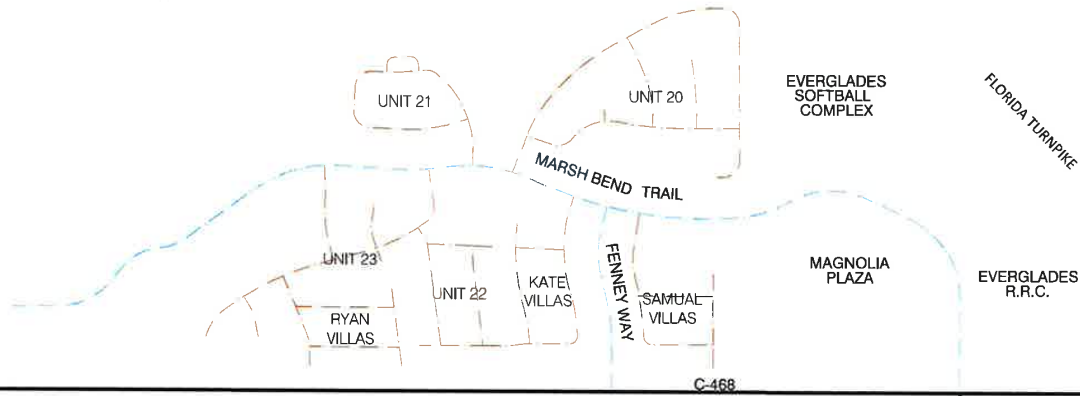
Projected Start Date: 1/1/18 Projected End Date: 2/15/19

Description of Project: Hamlet Construction is installing MDPE gas mains which are anticipated to be operated by the City Of Leesburg Natural Gas Department.

The Villages
SOUTH SUMTER GAS EXHIBIT
 V.O.S.O. PH 3 (BIGHAM NORTH)
 12/06/2017



CADE
VILLAS



UNIT 24

C-468

C-501

MATCH LINE - SEE V.O.S.O. PH 1 (BIGHAM WEST)

MATCH LINE - SEE V.O.S.O. PH 2 (BIGHAM EAST)

SECTION TOWNSHIP RANGE
 28 19S 23E

LEGEND

- = 2" GAS (17,215 LF)
- = 4" GAS (0 LF)
- = 6" GAS (7,066 LF)

CONSTRUCTION BEGINS: 1-1-18
COMPLETION DATE: 2-15-19

**FARNER
 BARLEY** ▲ ENGINEERS
 ▲ SURVEYORS
 ▲ PLANNERS
 AND ASSOCIATES, INC.
 Certificate of Authorization Number: 4709
 4450 N.E. 83rd Road, Micanopy, Florida 34795 (352) 748-3126

18

FLORIDA PUBLIC SERVICE COMMISSION

PIPELINE CONSTRUCTION NOTIFICATION

TO: Rick Moses, Bureau Chief
Bureau of Safety and Reliability

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

FROM: City of Leesburg Gas Department
Dawn Barrett, Compliance Specialist
Jack Rogers, Director of Gas
306 S. 6th Street
Leesburg, FL. 34748

Date of Notification 12/8/17

Pursuant to Florida Public Service Commission Rule 25-12.082, written notice is hereby given in reference to a major construction project or alteration of natural gas pipeline facilities.

Location: _____
The Villages, South Sumter. South east corner of C-501 and C-468. Bigham East

Estimated Construction Schedule:

Start Date: 2/15/18 **Completion Date:** 11/1/19
Diameter of Pipe: 2"4",6" **Length of Pipe:** 63,110',5,519', 6,534'.
Type of Materials: MDPE Pipe and Fittings

Comments: Hamlet Construction will be installing these mains which are anticipated to be operated by the City of Leesburg Natural Gas Department.



Signature

Director of Gas
Title

Copy to: Hasan Badran
(Local Area Safety Engineer), PSC

Notes: Major construction is defined as both 2 inches in diameter and 2,000 feet or more in length. Attached construction and site maps, if available.

City of Leesburg
Post Office Box 490630

306 S. 6th Street
Leesburg, FL 34748



Phone: 352-728-9840
Fax: 352-326-6636

Leesburg, FL 34748

Date: 12/08/17

Mr. Rick Moses
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Construction notice

Mr. Moses

Pursuant to Chapter 25-12.082 Construction Notice, written Notice shall be given to the Commission at least 15 days prior to the start of all major construction or alteration of pipeline facilities, stating the size, approximate location and contemplated time of construction. Notice is required when the pipeline involved is either at least 2 inches in diameter as well as 2,000 feet or more in length.

Please accept this letter as our official notification to the Commission that we will be performing work that meets these criteria. Specific information about this project is listed below.

Pipe Diameter/ Material: 2",4", 6" MDPE

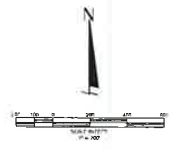
Total Length of Pipe: 63,110', 5,519', 6,534' respectively

Location: The Villages, South Sumter. South east corner of C-501 and C-468. Bigham East

Projected Start Date: 2/15/18 Projected End Date: 11/1/19

Description of Project: Hamlet Construction is installing MDPE gas mains which are anticipated to be operated by the City Of Leesburg Natural Gas Department.

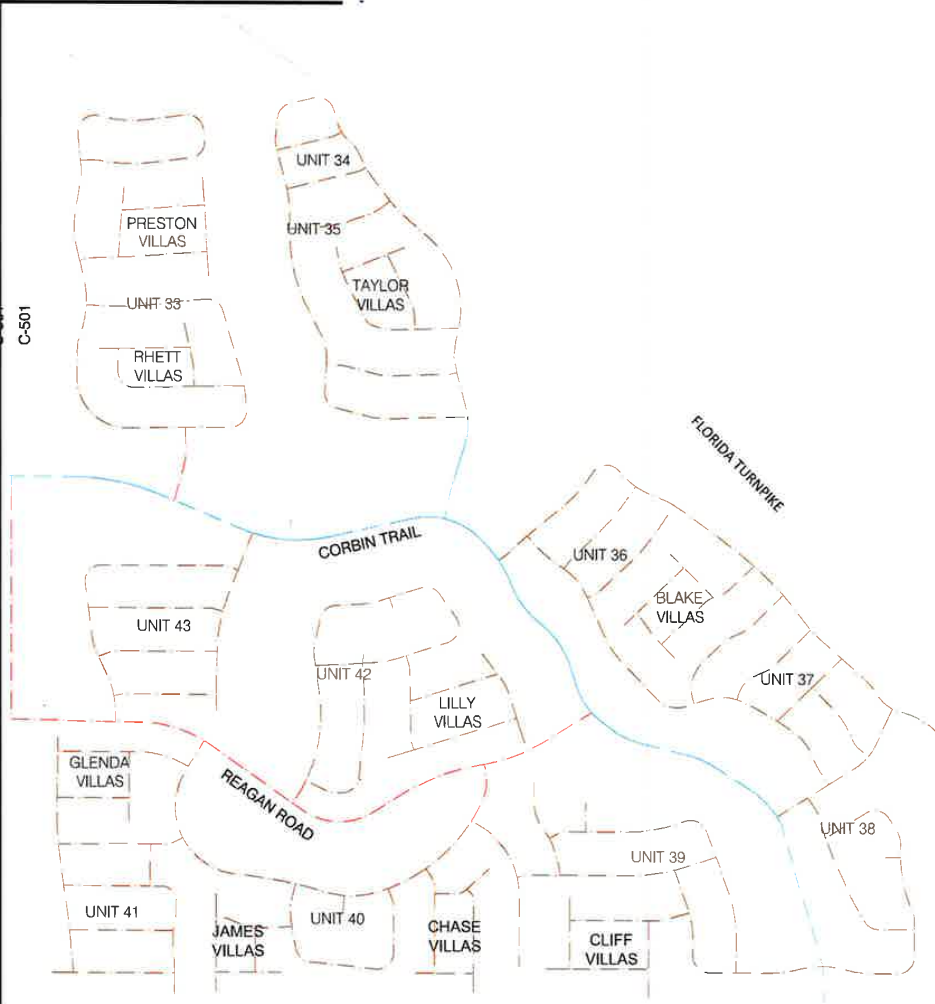
The Villages
SOUTH SUMTER GAS EXHIBIT
 V.O.S.O. PH 2 (BIGHAM EAST)
 12/06/2017



MATCH LINE - SEE V.O.S.O. PH 3 (BIGHAM NORTH)

MATCH LINE - SEE V.O.S.O. PH 1 (BIGHAM WEST)

REGULATOR STATION



SECTION TOWNSHIP RANGE
 34 19S 23E

LEGEND

	= 2" GAS (63,110 LF)
	= 4" GAS (5,519 LF)
	= 6" GAS (6,534 LF)

CONSTRUCTION BEGINS: 2-15-18
 COMPLETION DATE: 11-1-19

FARNER BARLEY
 AND ASSOCIATES, INC.
 ENGINEERS SURVEYORS PLANNERS
 Certificate of Authorization Number: 4709
 4400 N.E. 83rd Road, Wildwood, Florida 34785 (352) 748-3156

EXHIBIT B



AGENDA MEMORANDUM

Item No: 5D.
Meeting Date: February 12, 2018
From: Jack Rogers, Gas Director
Subject: Resolution approving a Natural Gas Agreement with South Sumter Gas Company, LLC

Staff Recommendation:

Staff recommends adoption of a Resolution approving a Natural Gas Agreement with South Sumter Gas Company, LLC

Analysis:

South Sumter Gas Company, LLC (SSGC) is constructing natural gas infrastructure in the Villages Community generally located within the City of Wildwood, south of U.S. Highway 44. Upon completion of each section, they wish to convey ownership of the system, to the City of Leesburg, for maintenance and operation of the system. Currently it is estimated that there will be 14,000 natural gas homes built over the next 4-5 years. This number is expected to significantly increase as new land is acquired by The Villages. Under this Agreement Leesburg is obligated to fund construction of a 6" main line on County Road 501 and another in the future on U.S. Highway 44 and 468. Both lines are necessary to supply gas to the Developments. The City also agrees to supply the automated reading devices, which will assure accuracy and efficient reading of meters over manual reads. Automated reading devices are currently being used for all 12,000 of Leesburg's natural gas customers. In consideration of SSGC's significant investment in the design, engineering, and construction of the system, the City of Leesburg agrees to share with SSCG revenue realized from the sale of natural gas to residential and commercial customers within the community. To accomplish the objectives of the Agreement, Leesburg will establish a Villages Natural Gas rate, which in aggregate will mirror the rate paid by similarly situated customers in the Villages who are currently served by TECO, Peoples Gas. The term of the Agreement is for 30 years, consistent with the Franchise that will be granted by the City of Wildwood. Leesburg has the option to terminate the Agreement at any time, should revenues not meet the threshold established in the agreement.

Options:

1. Approve a Natural Gas Agreement with South Sumter Gas Company, LLC; or
2. Such alternative action as the Commission may deem appropriate.

Submission Date and Time: 2/7/2018 4:15 PM

Department: <u>Gas</u> Prepared by: <u>JR</u> Attachments: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Advertised: <input type="checkbox"/> Not Required <input type="checkbox"/> Dates: _____ Attorney Review: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> _____ Revised 6/10/04	Reviewed by: Dept. Head <u>JR</u> Finance Dept. _____ Deputy C.M. _____ Submitted by: City Manager _____	Account No. _____ Project No. _____ WF No. _____ Budget _____ Available _____
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RESOLUTION NO. _____

**RESOLUTION OF THE CITY OF LEEsburg, FLORIDA
AUTHORIZING AND DIRECTING THE MAYOR AND CITY
CLERK TO EXECUTE A NATURAL GAS SYSTEM
CONSTRUCTION, PURCHASE, AND SALE AGREEMENT
BETWEEN THE CITY OF LEEsburg AND SOUTH SUMTER
GAS COMPANY, LLC FOR THE PURPOSE OF SETTING FORTH
THE TERMS AND CONDITIONS UNDER WHICH THE CITY
OF LEEsburg WILL PROVIDE NATURAL GAS UTILITY
SERVICE TO CERTAIN PORTIONS OF THE VILLAGES
COMMUNITY; AND PROVIDING AN EFFECTIVE DATE.**

**BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LEEsburg,
FLORIDA:**

THAT the Mayor and City Clerk are hereby authorized and directed to execute a Natural Gas System Construction, Purchase, and Sale Agreement between the City of Leesburg and South Sumter Gas Company, LLC, for the purpose of setting forth the terms and conditions under which the City of Leesburg will provide natural gas utility service to certain portions of the Villages communities designated under the terms of this Agreement as the "Service Area".

THAT this resolution shall become effective immediately.

PASSED AND ADOPTED by the City Commission of the City of Leesburg, Florida, at a regular meeting held the 12th day of February 2018.

H.D. Robuck, III, Mayor

ATTEST:

City Clerk

NATURAL GAS SYSTEM
CONSTRUCTION, PURCHASE, AND SALE AGREEMENT

THIS NATURAL GAS SYSTEM CONSTRUCTION, PURCHASE, AND SALE AGREEMENT ("Agreement") is made this _____ day of _____, 2018 (the "Effective Date"), by and between SOUTH SUMTER GAS COMPANY, LLC, a Florida limited liability company, whose address is 1020 Lake Sumter Landing, The Villages, FL 32162 ("SSGC"), and THE CITY OF LEESBURG, FLORIDA, a municipal corporation, whose address is 501 W. Meadow Street, Leesburg, Florida 34748 ("City"). SSGC and the City are individually referred to as a "Party" and collectively as "Parties."

RECITALS

A. The Villages Land Company, LLC, a Florida limited liability company, and its affiliates (collectively, the "Developer") are the developers of certain portions of The Villages[®] community (the "Community") located south of State Road 44 in Sumter and Lake Counties, Florida and more particularly depicted in the attached *Exhibit "A"* (as amended from time to time in accordance with the terms of this Agreement, the "Service Area").

B. The City is a municipality organized and authorized under Florida law to, among other things, supply natural gas as a natural gas local distribution utility, and is presently supplying natural gas service to its end user customers both within its corporate geographic boundary, and within portions of Lake County and Sumter County, Florida outside of its corporate geographic boundary.

C. Portions of the Service Area are located within the city limits of the City of Wildwood, Florida.

D. The City intends to obtain a franchise from the City of Wildwood, Florida permitting the City to provide natural gas service within the city limits of the City of Wildwood (the "City Franchise").

E. Furthermore, in each Declaration of Covenants, Conditions, and Restrictions recorded against every residential subdivision located within the Service Area (collectively, the "Declarations"), Developer has reserved and will reserve the right to select the natural gas service provider to provide its residents with consistent natural gas service quality, operation, and maintenance; and pursuant to that certain Continuing Designation of Franchised Gas Servicer executed by Developer, a copy of which has been delivered to City, Developer has selected the City as the natural gas provider under the Declarations during the Term (defined herein) of this Agreement.

F. The City and SSGC each wish for SSGC to construct within the Service Area, in phases, a natural gas local distribution system consisting of natural gas pipelines, meters, and such other appurtenances as more particularly described herein (collectively, and as more particularly defined in Section 1 below, the "System"), and upon completion of each portion of the System, sell and convey the System to the City so the City can safely and reliably distribute

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natural gas to residential and commercial users within the Service Area, all as more particularly set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SSGC and the City agree that the foregoing Recitals are true and correct, and hereby incorporate them into this Agreement in full by reference, and further agree as follows:

1. **System Defined.** For purposes of this Agreement, and without limiting the description provided in the Recitals above, the "System" shall constitute those natural gas pipelines and associated equipment and facilities constructed by SSGC between the point of demarcation designated by the Parties for service to the Service Area and the outlet side of the meter installed by SSGC at each customer premises. The point of demarcation is deemed to be located at the outlet of the valve immediately upstream of the pressure regulator station(s). Generally, the System shall include the distribution lines that run along the streets and roads within the Service Area along with such necessary service lines, pressure regulator stations, individual meters and regulators for each customer, communication systems and other natural gas appurtenances by which natural gas will be locally distributed to the City's individual natural gas customers within the Service Area. The System shall not include any City-owned distribution and/or transmission lines upstream of the point of demarcation. The customer-owned gas supply line from the outlet side of the meter to the customer-owned equipment, and any customer-owned equipment regulators or other appurtenances are not included within the scope of the System or this Agreement and generally shall be constructed and paid for by the property owner, Developer, or other third party outside the scope of this Agreement.

2. **SSGC's Obligations.** SSGC shall construct the System as development within the Service Area occurs, pursuant to the standards and specifications set forth in the Construction and Specification Standards, prepared by SSGC, a copy of which the City acknowledges receiving, applicable industry standards, and such other reasonable instructions and directions as may be provided from time to time in writing by the City to SSGC which do not materially increase SSGC's cost of construction or conflict with previously-approved standards and specifications (collectively, the "Standards"). SSGC shall design, engineer, and construct all natural gas distribution facilities including, but not limited to, distribution mains, district regulating stations, service lines, meters (including City-approved automatic meter reading ("AMR") equipment), regulators and meter and regulator sets at its sole cost; *provided however*, notwithstanding the foregoing, the City agrees to reimburse SSGC, upon demand, for any reasonable increase in SSGC's cost to purchase and install AMR equipment instead of manual meter reading equipment. The System shall enable the supply of natural gas service to all residential and commercial users within the Service Area. The System shall be designed and engineered to accommodate a single service line and meter to each lot and tract within the Service Area. After construction of the System, in the event a tract or parcel is subdivided into multiple lots, or a tract or parcel is developed in a manner requiring multiple meters or service lines, or a tract or parcel requiring or desiring natural gas service is created subsequent to the initial construction of the System, SSGC shall construct at its expense such additional

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distribution lines and other facilities as to permit City to supply natural gas service to each customer, to whatever extent service lines to each parcel are not constructed during the initial construction of the overall System. Upon completion of such additional service and distribution lines or other facilities, such facilities shall become subject to this Agreement. SSGC shall construct the System within existing easements and right-of-ways where natural gas lines may be installed or it will obtain such easements or other rights as may be needed where existing easements and right-of-ways are not adequate. SSGC shall perform at its sole cost and expense all studies, analyses, engineering, contracting, acquisition, construction, supervision, testing, acceptance, and other acts necessary to construct the System pursuant to the Standards, and the City shall have the right but not the obligation to perform, at its sole cost and expense, such tests and inspections reasonably required by the City to confirm the same. SSGC shall notify City in advance of constructing each portion of the System and provide the City with the opportunity to perform such tests and inspections reasonably required to confirm that SSGC has constructed such portions of the System in accordance with the Standards and this Agreement. SSGC shall follow all federal, state, municipal, and local codes and regulations in the construction and installation of the System, and SSGC shall be responsible for obtaining all permits, easements, authorizations, labor, materials, contracts, and other things and actions necessary to construct the System. The final report of the inspections conducted by SSGC shall be provided to the City prior to turnover of each portion of the System, and the reports shall be certified to the City as an additional party entitled to rely on it. SSGC shall promptly provide to the City "as-built" drawings, suitable to the City, for all facilities constructed under this Agreement.

3. **SSGC Insurance.** At all times during periods of System construction, SSGC shall be required to obtain and maintain the following insurance coverage in connection with construction of the System:

- General Liability - \$2,500,000
- Worker's Compensation – as required by Florida law
- Automobile - \$500,000, to the extent SSGC owns any automobiles
- Umbrella Liability - \$5,000,000
- Completed operations – coverage equal to the lesser of (i) the actual total cost incurred from time to time to construct System, and (ii) \$10 million, subject to ten (10) years or the applicable statutes of repose, whichever is less at the time of loss.

4. **Purchase and Sale of the System.** SSGC shall sell and convey to the City by Bill of Sale, in the form reasonably required by City, and the City shall purchase and accept from SSGC, each portion of the System constructed by SSGC under this Agreement (each such occurrence is referred to herein as a "Closing"), upon the completion of all of the following conditions in each instance (collectively, the "Closing Conditions"):

- A. SSGC has substantially completed such portion of the System;
- B. The tests and inspection reports required by Section 2 above have been completed, delivered, and certified to the City;
- C. SSGC has assigned to the City any manufacturer warranties applicable to such portions of the System;

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- D. SSGC has delivered to City a map depicting the portion of the System included in the applicable Closing; and
- E. In addition to conditions A, B, C and D above, within thirty (30) days after delivery to the City of the Bill of Sale, SSGC shall deliver to the City "as-built" drawings as required by Section 2 above.

Portions of the System completed after initial construction, such as but not limited to distribution lines to serve additional parcels, service lines from the System to each customer, and meters installed after initial construction, shall be turned over to the City upon substantial completion, using the same criteria specified above.

5. **City's Obligations.** As each portion of the System is sold and conveyed to the City in accordance with Section 4 above, the City shall then be wholly responsible for all operation, maintenance, repairs (including capital repairs), and upkeep of the System, and SSGC shall have no financial or other responsibility for the operation, maintenance, repairs and upkeep of the System, and SSGC provides no warranty with respect to the System after acceptance; *provided however*, notwithstanding the foregoing, SSGC shall provide the City a limited warranty and assume the obligation to correct construction defects arising and discovered within one (1) year of each Closing (the "SSGC Warranty"). The SSGC Warranty shall commence as to each portion of the System on the date of Closing, and shall expire as to such portion(s) on the date that is one (1) year thereafter. Operation and maintenance activities shall include, but not be limited to, meter reading, line locates, leak surveys, meter turn ons and offs, and maintenance tasks. The City shall also be responsible for customer service related activities, including customer inquiries, billing, payment collection and other related functions, all as more particularly set forth in Section 8 below. Upon conveyance of each portion of the System, the City shall assume at its sole cost and expense full operational and legal responsibility for all aspects thereof. The City shall operate and provide natural gas service to the Service Area utilizing the System along with its own pipelines and related equipment and facilities as an integrated part of the City's natural gas utility operations. As the System is gradually conveyed to the City, the City shall be the natural gas utility for the Service Area during the Term for all purposes under Florida law, including Chapter 366, Florida Statutes. In addition to the System, the City shall acquire, own, operate and maintain the natural gas distribution facilities on Highway 501, north of SR 470, and at any other location constructed in the future that is mutually agreed upon as a connection point to the System, up to the point(s) of demarcation. The City shall construct these facilities at its expense, and, in the case of SSGC performing the construction under separate agreement with the City, the City shall acquire ownership of the facilities, all under the terms and conditions specified in a separate agreement between the parties regarding construction and acquisition of these facilities. If these facilities are constructed by the City, or the City reimburses SSGC for the cost of construction, and then the City cannot utilize the facilities to provide natural gas within the Service Area, due to any regulatory ruling preventing the City from providing service within the Service Area, SSGC shall reimburse the City for its construction costs or for all payments to SSGC on account of these facilities, and upon receipt of such reimbursement the City shall convey title and ownership of the facilities to SSGC, free and clear of all liens and encumbrances. Similarly, if the City cannot utilize the System to provide natural gas within the Service Area due to any regulatory ruling preventing

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the City from providing service within the Service Area, the City agrees to convey title and ownership of all portions of the System previously conveyed from SSGC to the City under this Agreement, back to SSGC, free and clear of all liens and encumbrances, for no consideration. The City shall at all times remain the owner of the natural gas distribution facilities, unless their use is prohibited by regulatory decision, and shall also be responsible for any retirement of natural gas distribution facilities (i.e. Abandonment of Services) at its sole cost, except that the City shall not be obligated to bear costs for Abandonment of Services if SSGC reacquires the system through Section 13 of this Agreement. Upon acceptance of each portion of the System, the City shall serve all residential, commercial, and other users within the Service Area that are connected to the System and that seek natural gas service, with natural gas service. The City shall comply with all applicable federal, state and local regulations regarding the operations and maintenance of the System.

6. **Service Area.** The Service Area described and depicted in the attached *Exhibit "A"* is effective as of the Effective Date, however, the Parties anticipate that the Service Area will expand as The Villages® community grows, and thus, as it may so expand, the Parties shall expand the Service Area from time to time by written Amendment to this Agreement. Any such Amendment may be executed by the then-acting City Manager on behalf of the City, and the same shall not need to be approved by the City Commission.

7. **Village Natural Gas Rate, and Option to Terminate.**

A. **Villages Natural Gas Rate.** To induce SSGC to enter into this Agreement, and except only as otherwise set forth herein, the City agrees to adopt and promulgate a Villages Natural Gas Rate (the "**Villages Natural Gas Rate**") which shall establish charges for customers who operate or reside within the Service Area contemplated in this Agreement. There shall be a Villages Natural Gas Rate established for residential and each class of commercial customer (with commercial classes determined according to usage, in-line with the usage parameters described in Section 7.C below). The Villages Natural Gas Rate shall consist of the Villages Aggregate Charge and the Villages Monthly Customer Charge, defined below.

i. **Villages Aggregate Charge.** There shall be a total aggregate charge per therm, which shall generally consist of a distribution charge, other surcharges, and a fuel charge. The Villages Aggregate Charge ("**Villages Aggregate Charge**") shall be equal to the total aggregate charges per therm for distribution, other surcharges and fuel as issued by the company currently doing business as TECO People's Gas, and its successors ("**Peoples**"), as amended from time to time.

ii. **Villages Monthly Customer Charge.** The Villages Monthly Customer Charge ("**Villages Monthly Customer Charge**") shall be equal to the total monthly customer charge as issued by Peoples Gas, and its successors, from time to time; *provided however*, the City shall not be required to reduce the Villages Monthly Customer Charge for residential or commercial customers served pursuant to this Agreement below the monthly customer charges imposed against similarly situated customers served by Peoples on the Effective Date, even if Peoples

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subsequently reduces its monthly customer charges. The City and SSGC acknowledge that on the Effective Date, Peoples' monthly customer charges are those charges illustrated below.

<u>Customer Class:</u>	<u>Monthly Rate:</u>
Residential:	\$15.00
Commercial consuming between 0 and 1,999 therms/year:	\$25.00
Commercial consuming between 2,000 and 9,999 therms/year:	\$35.00
Commercial consuming between 10,000 and 49,999 therms/year:	\$50.00
Commercial consuming between 50,000 and 249,999 therms/year:	\$150.00
Commercial consuming between 250,000 and 499,999 therms/year:	\$250.00
Commercial consuming 500,000 or more therms/year:	\$300.00

B. Service Charges. The City shall not offer transportation service to any customer, residential, commercial, industrial or other, located in the Service Area. Fees for service turn-on and turnoff shall not exceed those charged by Peoples, unless the fee charged by Peoples is less than the fee charged to City's native customers, in which case the Village's charge shall equal the charge imposed on City's native customers. The City may also charge customers affected by the Agreement for other miscellaneous non-recurring charges and fees, such as Collection Charges and Late Fees, at the same level and method as the City charges for its native customers. The City shall apply its existing natural gas deposit ordinance for its native customers, as modified from time to time by the City of Leesburg City Commission, to all customers served under this Agreement.

C. Option to Terminate. For the purposes of this Agreement, "Native Rate" shall mean the sum of City's distribution charge, other surcharges, and fuel charge per therm, charged to City's native customers as of the Fiscal Year beginning September 1, 2017. However, solely for purposes of calculating the Native Rate used to determine rates and charges under this Agreement within the Service Area (and without affecting any rates charged by City to its native customers), the distribution charge shall be fixed at \$0.56348, even if the actual distribution charge levied against the City's native residential customers exceeds, or decreases below, such amount. For the purpose of determining rates and charges within the Service Area under this Agreement, and without affecting what the City charges its native customers, the City shall establish a Native Rate for its residential customers, and for each class of its commercial customers (with commercial classes determined according to usage, in line with the usage parameters described in this Section 7.C below). If, at any time during the Term of this Agreement:

- (i) the difference between the Villages Aggregate Charge and the Native Rate for residential customers ever becomes less than \$0.15640; or
- (ii) the difference between the Villages Aggregate Charge and the Native Rate for commercial customers receiving between 0 – 1,999 Therms/Year ever becomes less than \$0.16865; or
- (iii) the difference between the Villages Aggregate Charge and the Native Rate for commercial customers receiving between 2,000 – 9,999 Therms/Year ever

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- becomes less than \$0.05256; or
- (iv) the difference between the Villages Aggregate Charge and the Native Rate for commercial customers receiving between 10,000 – 49,999 Therms/Year ever becomes less than \$0.00267; or
- (v) the difference between the Villages Aggregate Charge and the Native Rate for commercial customers receiving between 50,000 – 249,999 Therms/Year ever becomes less than negative \$0.03407; or
- (vi) the difference between the Villages Aggregate Charge and the Native Rate for commercial customers receiving between 250,000 – 499,999 Therms/Year ever becomes less than negative \$0.08876; or
- (vii) the difference between the Villages Aggregate Charge and the Native Rate for commercial customers receiving between 250,000 – 499,999 Therms/Year ever becomes less than negative \$0.13577, then

The City may request, in writing, for SSGC to approve a temporary increase in the Villages Aggregate Charge so that the difference between the Villages Aggregate Charge and the Native Rate for such customers is maintained at the minimum levels described above during such periods. SSGC shall respond within fifteen (15) days of its receipt of City's request, either approving or denying such request; failure of SSGC to respond within such fifteen (15) day period shall be deemed approval. SSGC may approve or deny, in its sole and absolute discretion, the City maintaining the minimum difference (through an increase to the Villages Aggregate Charge for such customers) from time to time, and may subsequently withdraw its approval at any time. If SSGC denies the City's request, or approves, but then subsequently withdraws its approval at any time when the difference is less than that required above, then, at any time when the required difference(s) are not being maintained, the City may terminate this Agreement upon not less than thirty (30) days prior written notice. In the event of such termination, the City shall convey ownership and title to the System to SSGC upon demand, without consideration, free and clear of all liens and encumbrances.

8. **Billing, Collection, and Customer Service.** The City shall be responsible for meter reading, billing, collection, and customer service for natural gas provided by it within the Service Area; *provided however*, no invoices or other communications sent by the City to end users within the Service Area may contain notices regarding recreation or events occurring within, or in association with, the City. City notices shall expressly be limited to information concerning the provision of natural gas service only. There shall be no bad debt charge-backs to SSGC against the Purchase Price (defined below) for any customer that does not pay the full amount of charges due for natural gas service. The City shall also be responsible for fielding, and responding promptly to, any calls for customer service from customers within the Service Area. The City shall utilize the same billing cycle and format for customers within the Service Area as it does for its native customers, and apply the same collection procedures, and remedies for nonpayment, as it applies to its native customers.

9. **Purchase Price.** In consideration of SSGC's significant investment in the design, engineering, and construction of the System, and conveying the same to the City, and in consideration for the City being designated as the utility supplying natural gas to customers

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within the Service Area, the City shall pay to SSGC the following as the purchase price for the System (collectively the "Purchase Price"):

- A. For each residential customer served by the City under this Agreement:
 - Customer Charge: Per month: \$6.93, plus any amount by which the Villages Monthly Customer Charge for residential customers served under this Agreement exceeds \$15.00 from time to time; and
 - Per Therm Charge: Per therm actually billed: \$0.53988, plus any amount by which the difference between the Villages Aggregate Charge less the Native Rate for residential customers exceeds \$0.25640 from time to time.

- B. For each commercial customer served by the City under this Agreement receiving between 0 – 1,999 Therms/Year:
 - Customer Charge: Per month: \$12.17, plus any amount by which the Villages Monthly Customer Charge for such commercial customers served under this Agreement exceeds \$25.00 from time to time; and
 - Per Therm Charge: Per therm actually billed: \$0.42213, plus any amount by which the difference between the Villages Aggregate Charge less the Native Rate for similarly situated commercial customers exceeds \$0.26865 from time to time.

- C. For each commercial customer served by the City under this Agreement receiving between 2,000 – 9,999 Therms/Year:
 - Customer Charge: Per month: \$22.17, plus any amount by which the Villages Monthly Customer Charge for such commercial customers served under this Agreement exceeds \$35.00 from time to time; and
 - Per Therm Charge: Per therm actually billed: \$0.34604, plus any amount by which the difference between the Villages Aggregate Charge less the Native Rate for similarly situated commercial customers exceeds \$0.15256 from time to time.

- D. For each commercial customer served by the City under this Agreement receiving between 10,000 – 49,999 Therms/Year:
 - Customer Charge: Per month: \$37.17, plus any amount by which the Villages Monthly Customer Charge for such commercial customers served under this Agreement exceeds \$50.00 from time to time; and
 - Per Therm Charge: Per therm actually billed: \$0.32615, plus any amount by which the difference between the Villages Aggregate Charge less the Native Rate for similarly situated commercial customers exceeds \$0.10267 from time to time.

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- E. For each commercial customer served by the City under this Agreement receiving between 50,000 – 249,999 Therms/Year:

Customer Charge: Per month: \$137.17, plus any amount by which the Villages Monthly Customer Charge for such commercial customers served under this Agreement exceeds \$150.00 from time to time; and

Per Therm Charge: Per therm actually billed: \$0.30441, plus any amount by which the difference between the Villages Aggregate Charge less the Native Rate for similarly situated commercial customers exceeds \$0.06593 from time to time.

- F. For each commercial customer served by the City under this Agreement receiving between 250,000 – 499,999 Therms/Year:

Customer Charge: Per month: \$237.17, plus any amount by which the Villages Monthly Customer Charge for such commercial customers served under this Agreement exceeds \$250.00 from time to time; and

Per Therm Charge: Per therm actually billed: \$0.27972, plus any amount by which the difference between the Villages Aggregate Charge less the Native Rate for similarly situated commercial customers exceeds \$0.01124 from time to time.

- G. For commercial customers served by the City under this Agreement receiving 500,000 or more Therms/Year:

Customer Charge: Per month: \$287.17, plus any amount by which the Villages Monthly Customer Charge for such commercial customers served under this Agreement exceeds \$300.00 from time to time; and

Per Therm Charge: Per therm actually billed: \$0.25771, plus any amount by which the difference between the Villages Aggregate Charge less the Native Rate for similarly situated commercial customers exceeds negative \$0.03577 from time to time.

10. **Payment of Purchase Price; Audit Rights.**

A. Payment of Purchase Price. City shall calculate and pay the Purchase Price to SSGC on a monthly basis throughout the Term, in arrears, in each instance within twenty (20) days of the expiration of the applicable previous calendar month. The Purchase Price paid each month shall be based upon those customer bills rendered by City in that month for the prior month's natural gas service, plus any appropriate adjustments for additional amounts billed or credits issued since the prior month's payment of the Purchase Price. City shall include with each monthly payment of Purchase Price reasonably-detailed supporting documentation evidencing City's determination of the same. To the extent the Term does not commence and

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terminate on the beginning and end of the City's fiscal year, respectively, the Parties shall appropriately prorate all amounts due herein. Additionally, if any actual Villages Monthly Customer Charges are prorated due to turn-on and/or turn-off not occurring simultaneously with billing period start and end, respectively, then the Purchase Price for such partial amounts shall be the partial customer charge actually billed multiplied by a fraction, where the numerator is the monthly customer charge that SSGC is entitled to be paid as Purchase Price for such customer class at that time, and the denominator is the full monthly customer charge imposed against such customer class at that time.

B. Audit Rights. SSGC shall have the right, upon reasonable notice, to audit all usage, billing, collection, and other records of the City related to the service of natural gas to end users within the Service Area under this Agreement. In the event any audit reflects the underpayment or overpayment of the Purchase Price, the City shall pay to SSGC such amounts necessary to reflect true, actual amounts due and payable, and City shall receive a credit for such amounts overpaid. If such audit reveals that the City has understated the Purchase Price in any period by more than five percent (5%), then the City shall reimburse SSGC for the reasonable cost of the audit.

11. Term; Termination.

A. Term. This Agreement shall become effective on the date of execution by both Parties and shall continue in full force and effect through the expiration or earlier termination of the City's Franchise from the City of Wildwood (the "Term"). The rights and obligations of SSGC and City as set forth in this Agreement shall extend throughout the Term, and where indicated, shall survive expiration or earlier termination of this Agreement. Except only as provided in Section 11.B below, SSGC and the City shall not have the right to terminate this Agreement.

B. Termination.

i. By SSGC. SSGC may terminate this Agreement if the City breaches the terms of this Agreement. SSGC must give City notice of its failure to perform and grant the City ninety (90) days for the City to cure the deficiencies. If the deficiencies are of a nature that they cannot reasonably be remedied within ninety (90) days, then the City shall be granted a reasonable time to remedy the deficiencies, but in no event greater than one hundred eighty (180) days. In the event SSGC terminates this Agreement as result of an uncured City breach, the City shall, upon SSGC's request, convey all ownership and title of the System to SSGC, without consideration, and free and clear of all liens and encumbrances. The foregoing conveyance obligation is not intended to be a limitation on SSGC's damages for City's breach.

ii. By SSGC and City. SSGC and City may each terminate this Agreement without the consent of the other party if The City of Wildwood fails to issue the City Franchise prior to the date that the first customer in the Service Area under this Agreement requires natural gas service to commence (the "First Service Date"). On the Effective Date, the First Service Date is expected to be on or around April 1, 2018. If SSGC or City terminates this Agreement as result

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of the City of Wildwood's failure to issue the City Franchise prior to the First Service Date, and SSGC has conveyed any portions of the System to the City at that time, the City shall, upon SSGC's request, convey all ownership and title of the System to SSGC, without consideration, and free and clear of all liens and encumbrances.

12. **Expiration of Term.** Upon expiration or earlier termination of this Agreement, the Parties shall work together in good faith to ensure the seamless and safe transfer of service to a successor provider selected jointly by Developer and SSGC. The foregoing obligation shall survive expiration or termination of this Agreement.

13. **Option to Purchase.** Upon expiration of the Term, SSGC shall have the option to purchase the System from the City for a price equal to the depreciated value of the System on the date the Option is exercised (the "Option"). SSGC may exercise the Option at any time within one (1) year after the expiration or earlier termination of the Term (the "Option Period"); *provided however*, in order to avoid the inadvertent lapse of the Option, should SSGC fail to exercise the Option with the Option Period, then the City shall promptly notify SSGC in writing, inform SSGC of the Option, and provide SSGC an additional one hundred eighty (180) days to exercise the Option after delivery of such written notice. If SSGC elects to exercise the Option, the City shall convey the System to SSGC by Bill of Sale, free and clear of all liens and encumbrances, in its as-is, where-is condition. All rights and obligations in this Section shall survive expiration or earlier termination of this Agreement.

14. **Indemnification.**

A. **By SSGC.** Except to the extent arising from the intentional or negligent acts or omissions of the City or its employees, agents, and contractors, SSGC agrees to indemnify, save, hold harmless, and defend the City for and from any and all claims, charges, and suits arising from events occurring prior to conveyance of the applicable portion(s) of the System and related in whole or in part to the engineering, construction, location, or any condition of the System and resulting from the negligent or deliberately wrongful acts of SSGC, or arising from SSGC's failure to obtain necessary permits or authorizations in connection with construction of the System, or SSGC's failure to comply with any federal, state, or local law or regulation applicable to construction of the System.

B. **By City.** Except to the extent arising from the intentional or negligent acts or omissions of SSGC or its employees, agents, and contractors, City agrees, up to but not in excess of the extent of the statutory waiver of sovereign immunity under §768.28, Fla. Stat. (2017), to indemnify, save, hold harmless, and defend SSGC for and from any and all claims, charges, and suits arising from events occurring after conveyance of the applicable portion(s) of the System and related in whole or in part to the operation, maintenance, use, or any condition of the System, or arising from the City's failure to obtain necessary permits or authorizations applicable to the System, or failure of the City to comply with any federal, state, or local law applicable to the System.

C. **Survival.** The obligations contained in this Section shall survive expiration or

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earlier termination of this Agreement.

15. **Miscellaneous.**

A. **Successors and Assigns.** This Agreement is binding on the successors, assigns and legal representatives of the Parties; *provided however*, City shall not assign this Agreement without the prior written consent of SSGC, which consent shall not be unreasonably withheld. SSGC may assign its rights under this Agreement without the consent of City. Further, City agrees that SSGC may assign portions of its work to qualified subcontractors without the consent of the City with SSGC ultimately remaining responsible for such work as set forth herein.

B. **Notice.** All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person or sent by registered or certified mail, postage prepaid, or via recognized overnight parcel service, or on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission), addressed as follows:

TO SSGC:

South Sumter Gas Company, LLC
Attn: Kelsea Morse Manly
1020 Lake Sumter Landing
The Villages, Florida 32162
Kelsea.Manly@TheVillages.com

with a copy to:

Erick D. Langenbrunner, Esq.
1020 Lake Sumter Landing
The Villages, Florida 32162
Erick.Langenbrunner@TheVillages.com

TO CITY:

The City of Leesburg, Florida
Attn: City Manager
501 West Meadow Street
Leesburg, Florida 34748
Al.Minner@leesburgflorida.gov

with a copy to:

McLin Burnsed P.A.
1000 West Main Street
Leesburg, Florida 34748
FredM@mcclinburnsed.com

or to such other address as may be furnished in writing by a party to the other.

C. **Integration.** This is the entire Agreement between the Parties about the subject matter of this transaction and all prior agreements, understandings and representations, whether oral or written, about this subject matter are merged into and superseded by this written Agreement. It may not be modified except in writing signed by both Parties.

D. **Waiver.** No failure or delay by any Party in exercising any right under this Agreement shall operate as a waiver of that right, nor shall any partial exercise of a right preclude any further exercise of that or any other right. The rights shall be cumulative and not exclude any rights or remedies provided by law.

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E. Governing Law; Venue. This Agreement is governed by Florida law, exclusive of its choice of law principles. Any action or proceedings brought regarding this Agreement or the construction and operation of the System shall be brought in state courts located in Sumter County, Florida or federal courts located in the Middle District of Florida. Each Party to this Agreement hereby waives its right to a trial by jury.

F. Consequential Damages. Neither Party shall be liable to the other for exemplary, punitive, incidental, indirect, or consequential damages (including without limitation lost profits or revenues) resulting from or arising out of this Agreement, whether the claim is based in contract, tort, strict liability, or any other legal theory or principle.

G. Force Majeure. No delay or failure of performance by SSGC or the City, or the agents, directors, officers, employees and contractors of either, shall constitute a default hereunder or give rise to any claim for damages if and to the extent that such delay or failure is caused by Force Majeure Event affecting that Party's ability to perform. "Force Majeure Event" means any event that directly or indirectly renders a Party unable, wholly or in part, to perform or comply with any obligation, covenant or condition in this Agreement if the event, or the adverse effects of the event, is outside of the control of, and could not have been prevented by, the affected Party with reasonable foresight, at reasonable cost, and by the exercise of reasonable diligence in good faith, and is not attributable to the negligence or willful misconduct of the affected Party. Force Majeure Events include without limitation the following events (to the extent they otherwise satisfy the definition):

i.) act of God, fire, lightning, landslide, earthquake, storm, hurricane, hurricane warning, flood, high water, washout, explosion, or tornado;

ii) strike, lockout or other industrial disturbance, act of the public enemy, war, military operation, blockade, insurrection, riot, epidemic, arrest or restraint by government of people, terrorist act, civil disturbance, or local, state, or national emergency;

iii) the inability of the affected Party to acquire, or the delay on the part of the affected Party in acquiring materials, supplies, machinery, equipment, servitudes, right-of-way grants, pipeline shipping capacity, easements, permits or licenses, approvals or authorizations by regulatory bodies or oil and gas lessors needed to enable the Party to perform;

iv) breakage of or accident to machinery, equipment, facilities, or lines of pipe, and the repair, maintenance, improvement, replacement, test, or alteration to the machinery, equipment, facilities, or lines of pipe, and the freezing of a line of pipe; or

v) act, order, or requisition of any governmental agency or acting governmental authority, or any governmental law, proration, regulation, or priority.

This Force Majeure provision shall not apply to payment when due of money that is owed by one Party or to the other under the terms of this Agreement.

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H. No Partnership. SSGC and the City are independent entities and are not the agent, partner or employee of the other.

I. No Third Party Beneficiary. Nothing in this Agreement is intended to benefit any third party not a signatory hereto.

J. Equal Drafting. The Parties recognize that this Agreement is the product of the joint efforts of the Parties and agree that it shall not be construed against one Party or the other as a result of the preparation, submittal, or other event of negotiation, drafting or execution hereof.

K. Prevailing Party. In the event of any action, or any judicial proceedings, or if the Parties agree to arbitration proceedings to resolve any dispute under this Agreement, or to enforce any term of this Agreement, or to protect or preserve any rights under this Agreement, the prevailing party shall be entitled to an award of its actual reasonable costs and actual reasonable attorney fees incurred.

L. Authority. Each person signing this Agreement warrants that he or she has authority to sign the Agreement.

M. Adverse Determination. Upon the effective date of any legislative, regulatory, judicial, or other legal action that materially affects any terms of this Agreement, or which has the effect of classifying SSGC as a public utility subject to the jurisdiction of the Florida Public Service Commission (hereinafter, the "Regulatory Change"), SSGC or the City may, on thirty (30) days' written notice to the other, request that the terms of this Agreement be renegotiated, and the Parties shall attempt to negotiate in good faith such mutually acceptable new terms as may be required to address the Regulatory Change. The amended provisions shall be substituted in place of those previously in effect and shall become effective on such date as the Parties mutually agree. In the event a Regulatory Change amendment to this Agreement is not fully executed within ninety (90) days after Regulatory Change Date, either Party may terminate this Agreement, and in such event, the City shall convey all title and ownership of the System to SSGC, without consideration, and free and clear of all liens and encumbrances.

N. Effective Date. This Agreement becomes effective on the date it is fully executed.

O. Acknowledgment. By signing, each Party acknowledges and agrees that it has read and understood each and every term and condition of this Agreement.

P. Facsimile Copies; Counterparts. This Agreement may be executed and delivered in any number of duplicate counterparts, each counterpart so delivered which bears the signature or a facsimile, electronic, or ".pdf" copy thereof, shall be binding as to such party, and all counterparts together shall constitute one and the same instrument even though the parties may not have executed the same counterpart. However, this Agreement shall not be effective until fully executed by both parties.

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16. **Acquisition of the System by The City of Wildwood.** If The City of Wildwood exercises rights contained in the City Franchise to purchase the System upon expiration of the City Franchise, then the City agrees to assign and does hereby assign to SSGC all rights to negotiate the purchase price with the City of Wildwood, and all right, title and interest in any and all proceeds of such sale. In exchange for and as a condition to this assignment, SSGC agrees to pay to the City the depreciated value of the System on the date that the City of Wildwood acquires the System. If The City of Wildwood takes action to acquire any portions of the System by condemnation or other means prior to the natural expiration of the Term, then the City agrees to assign and does hereby assign to SSGC all rights to negotiate the purchase price with the City of Wildwood, and all right, title and interest in any and all proceeds of such sale. In such case, SSGC shall not be required to pay the City any money for such assignment.

SIGNATURES ON FOLLOWING PAGE

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IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the day and year first written above.

SSGC:

SOUTH SUMTER GAS COMPANY, LLC,
a Florida limited liability company

BY: TVL Company, LLC,
a Florida limited liability company,
its Manager

Print Name: _____

Print Name: _____

By: _____
Print Name: _____
Title: _____

CITY:

CITY OF LEESBURG

ATTEST:

Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

Approved as to legal form:

By: _____
Fred A. Morrison, City Attorney

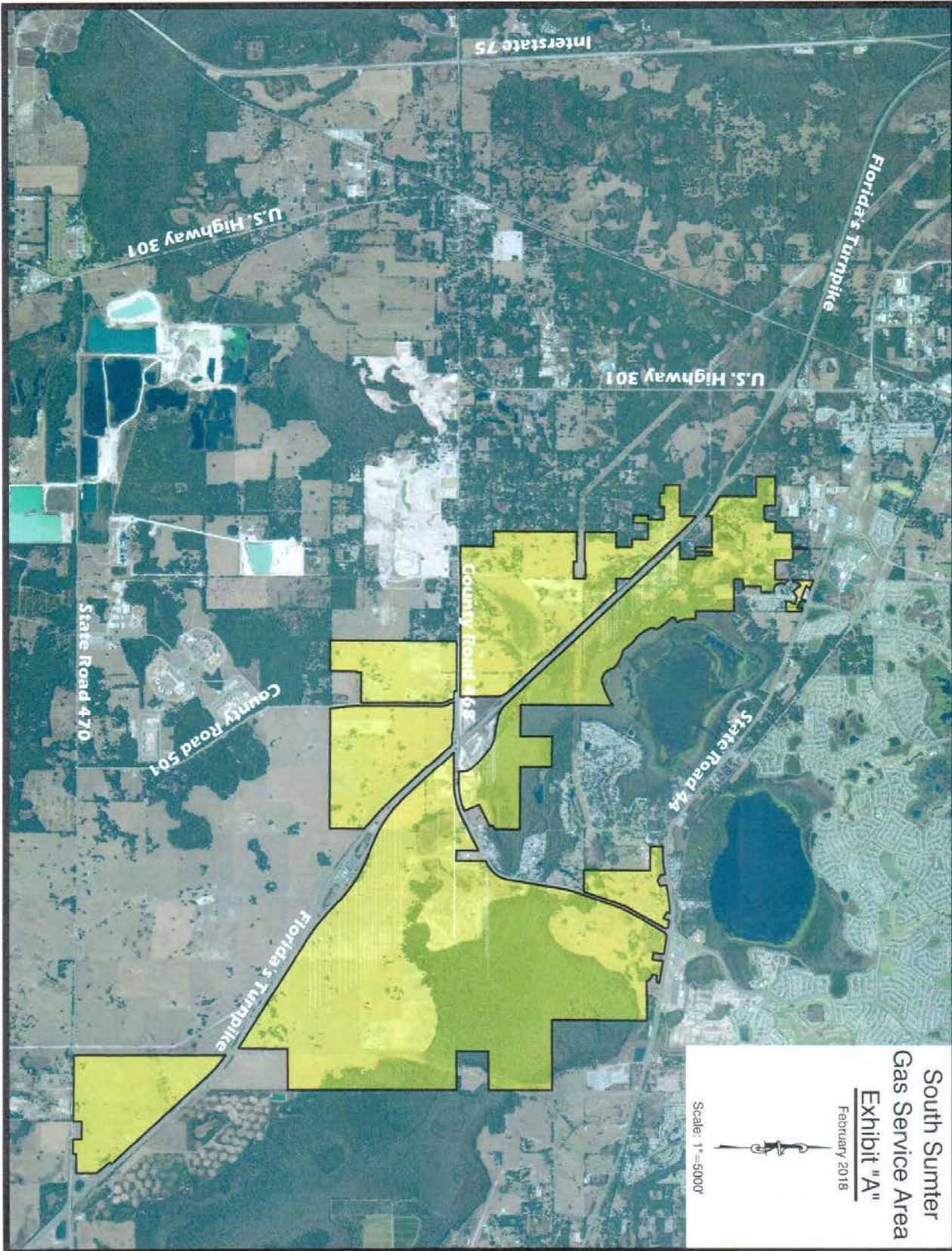


EXHIBIT "A"

THE EAST 1/2 OF THE EAST 1/2 AND THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA.

AND

THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 31, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA.

AND

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE EAST 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 AND THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 AND THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 AND THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 AND THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 AND THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 AND THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 AND THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 ALL IN SECTION 31, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA.

AND

THE SOUTH 325 YARDS OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 AND THE NORTH 1/2 OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 AND THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 AND THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4, LESS THE NORTHEAST 1/4 OF THE NORTHEAST OF THE NORTHWEST 1/4; AND THE NORTH 1/2 OF THE SOUTHWEST 1/4 AND THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF THE NORTHEAST 1/4, LESS 5 ACRES IN THE NORTHWEST CORNER AND LESS BEGIN AT THE NORTHWEST CORNER OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4, RUN SOUTH 466 FEET 8 INCHES FOR POINT OF BEGINNING, THENCE RUN SOUTH 210 FEET, THENCE EAST 210 FEET, THENCE NORTH 210 FEET, THENCE WEST 210 FEET TO THE POINT OF BEGINNING; ALL IN SECTION 32, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA.

AND

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 AND THE NORTH 1/2 OF THE SOUTHWEST 1/4 AND THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 AND THE

SOUTH 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4, ALL IN SECTION 33,
TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA.

LESS ROAD RIGHT-OF-WAYS LYING WITHIN THE ABOVE DESCRIBED PARCELS.

AND LESS THOSE PARCELS DESCRIBED IN DEED TO SUMTER COUNTY, FLORIDA
RECORDED IN O.R. BOOK 950, PAGE 54, PUBLIC RECORDS OF SUMTER COUNTY,
FLORIDA.

TOGETHER WITH

THE NORTH 330 FEET OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF
SECTION 33, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA.

LESS ANY PORTION THEREOF CLAIMED BY SUMTER COUNTY, FLORIDA FOR THE
MAINTENANCE OF COUNTY ROAD 505.

TOGETHER WITH

THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION
31, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, LESS THE
NORTH 278.68 FEET OF THE WEST 163.00 FEET OF THE NORTHEAST 1/4 OF THE
NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 19 SOUTH,
RANGE 23 EAST, SUMTER COUNTY, FLORIDA; LESS THE RIGHT OF WAY FOR
COUNTY ROAD NO. 468 ACROSS THE NORTH SIDE THEREOF.

TOGETHER WITH

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHEAST
QUARTER OF SECTION 30, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER
COUNTY, FLORIDA; LESS RIGHT OF WAY FOR HIGHWAY 468.

AND

FROM THE SOUTH QUARTER CORNER OF SECTION 30, TOWNSHIP 19 SOUTH,
RANGE 23 EAST, SUMTER COUNTY, FLORIDA, RUN NORTH 00 DEGREES 07
MINUTES 02 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHWEST
QUARTER OF SAID SECTION 30, A DISTANCE OF 34.05 FEET TO THE NORTH RIGHT-
OF-WAY OF HIGHWAY 468 AND THE POINT OF BEGINNING; THENCE SOUTH 89
DEGREES 54 MINUTES 25 SECONDS WEST 942.29 FEET TO THE INTERSECTION OF
THE NORTH RIGHT-OF-WAY OF HIGHWAY 468 AND THE SOUTHEASTERLY RIGHT-
OF-WAY OF HIGHWAY 301; THENCE BY THE SOUTHEASTERLY RIGHT-OF-WAY OF
HIGHWAY 301, ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1486.18 FEET,
1022.51 FEET TO A POINT; THENCE RUN NORTH 89 DEGREES 58 MINUTES 05
SECONDS EAST 162.41 FEET; THENCE RUN SOUTH 00 DEGREES 07 MINUTES 02
SECONDS WEST 630.01 FEET TO THE POINT OF BEGINNING.

LESS THAT PORTION CONVEYED TO THE STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION BY DEED RECORDED JUNE 25, 1990 IN OFFICIAL RECORDS BOOK 401, PAGE 26, DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 30, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; RUN NORTH 0 DEGREES 02 MINUTES 01 SECONDS WEST ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER A DISTANCE OF 33.65 FEET TO THE NORTHERLY EXISTING RIGHT-OF-WAY LINE OF COUNTY ROAD 468; THENCE NORTH 89 DEGREES 59 MINUTES 20 SECONDS WEST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE 942.26 FEET TO THE INTERSECTION OF SAID NORTHERLY RIGHT-OF-WAY LINE AND THE SOUTHEASTERLY EXISTING RIGHT-OF-WAY LINE OF STATE ROAD 35 (U.S. 301) FOR THE POINT OF BEGINNING, SAID POINT BEING THE BEGINNING OF A CURVE ALONG STATE ROAD 35 CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1482.70 FEET AND A CHORD BEARING OF NORTH 69 DEGREES 34 MINUTES 18 SECONDS EAST; THENCE RUN NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 02 DEGREES 25 MINUTES 58 SECONDS A DISTANCE OF 62.96 FEET FOR THE END OF SAID CURVE; THENCE, DEPARTING THE SOUTHEASTERLY EXISTING RIGHT-OF-WAY LINE OF STATE ROAD 35, SOUTH 01 DEGREES 26 MINUTES 29 SECONDS WEST 21.99 FEET TO THE NORTHERLY EXISTING RIGHT-OF-WAY LINE OF COUNTY ROAD 468; THENCE NORTH 89 DEGREES 59 MINUTES 20 SECONDS WEST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE 58.44 FEET TO THE POINT OF BEGINNING.

AND

THAT PORTION OF SECTIONS 1 AND 2, TOWNSHIP 20 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, LYING NORTH OF THE SUNSHINE STATE PARKWAY; AND THE EAST 1/2 OF THE N.E. 1/4 OF THE N.E. 1/4 OF SECTION 34, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; AND THAT PORTION OF SECTION 35, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; LYING NORTH OF THE SUNSHINE STATE PARKWAY; ALL OF SECTION 36, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; AND A PORTION OF SECTIONS 25 AND 26, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, ALL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHEAST CORNER OF SECTION 36, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; THENCE S 00°10'31" W ALONG THE EAST BOUNDARY THEREOF, A DISTANCE OF 5331.12 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 36, SAID POINT ALSO BEING THE NORTHEAST CORNER OF SECTION 1, TOWNSHIP 20 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; THENCE S 00°10'54" W ALONG THE EAST BOUNDARY OF SAID SECTION 1, A DISTANCE OF 2798.38 FEET TO THE EAST 1/4 CORNER OF SAID SECTION 1; THENCE CONTINUE ALONG SAID EAST BOUNDARY S 00°15'53" W, A DISTANCE OF 2487.26 FEET TO THE INTERSECTION WITH THE NORTH RIGHT-OF-WAY LINE OF THE SUNSHINE STATE PARKWAY (WIDTH VARIES); THENCE DEPARTING SAID EAST BOUNDARY, PROCEED N42°55'02" W ALONG SAID RIGHT-OF-WAY LINE, A DISTANCE OF 504.38 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE

SOUTHWESTERLY, HAVING A RADIUS OF 5879.58 FEET AND A CENTRAL ANGLE OF 14°36'39"; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE A DISTANCE OF 1499.33 FEET; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE N 57°32'06" W, A DISTANCE OF 5872.48 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 5599.58 FEET AND A CENTRAL ANGLE OF 11°08'06"; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE A DISTANCE OF 1088.24 FEET; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE N46°22'11" W, A DISTANCE OF 799.15 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 5859.58 FEET AND A CENTRAL ANGLE OF 22°19'48"; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE A DISTANCE OF 2283.66 FEET; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE N 68°43'54" W, A DISTANCE OF 437.44 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 5599.58 FEET AND A CENTRAL ANGLE OF 07°46'53"; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE A DISTANCE OF 760.47 FEET TO THE INTERSECTION WITH THE WEST BOUNDARY OF SECTION 35, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, PROCEED N00°26'01"E ALONG SAID WEST BOUNDARY, A DISTANCE OF 542.70 FEET TO THE WEST 1/4 CORNER OF SAID SECTION 35; THENCE CONTINUE ALONG SAID WEST BOUNDARY N00°19'24"E, A DISTANCE OF 1331.56 FEET; THENCE DEPARTING SAID WEST BOUNDARY, PROCEED N89°45'47"W ALONG THE SOUTH BOUNDARY OF THE EAST 1/2 OF THE N.E. 1/4 OF THE N.E. 1/4 OF SECTION 34, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, A DISTANCE OF 658.80 FEET; THENCE DEPARTING SAID SOUTH BOUNDARY, PROCEED N00°21'48"E ALONG THE WEST BOUNDARY OF SAID EAST 1/2 OF THE N.E. 1/4 OF THE N.E. 1/4 OF SECTION 34, A DISTANCE OF 1332.09 FEET TO THE INTERSECTION WITH THE NORTH BOUNDARY OF SAID SECTION 34; THENCE DEPARTING SAID WEST BOUNDARY, PROCEED S89°42'55"E ALONG SAID NORTH BOUNDARY OF SECTION 34, A DISTANCE OF 657.87 FEET TO THE NORTHEAST CORNER THEREOF, SAID POINT ALSO BEING THE NORTHWEST CORNER OF SECTION 35, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; THENCE S89°46'48"E ALONG THE NORTH BOUNDARY OF SAID SECTION 35, ALSO BEING THE SOUTH BOUNDARY OF SECTION 26, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, A DISTANCE OF 1324.73 FEET; THENCE DEPARTING SAID NORTH BOUNDARY, PROCEED N00°31'47"E ALONG THE WEST BOUNDARY OF THE EAST 3/4 OF SAID SECTION 26, A DISTANCE OF 1232.97 FEET TO THE INTERSECTION WITH THE EASTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD NO. 468 (WIDTH VARIES); THENCE DEPARTING SAID WEST BOUNDARY, PROCEED N63°16'42"E ALONG SAID EASTERLY RIGHT-OF-WAY LINE A DISTANCE OF 124.84 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 1261.11 FEET AND A CENTRAL ANGLE OF 53°42'28"; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE A DISTANCE OF 1182.14 FEET; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE N09°34'14"E, 1355.55 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY LINE, PROCEED N85°23'09"E, A DISTANCE OF 5645.47 FEET TO THE SOUTHWEST CORNER OF THE NORTH 1/2 OF THE N.E. 1/4 OF SECTION 25, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; THENCE N89°42'19"E ALONG THE SOUTH BOUNDARY OF SAID NORTH 1/2 OF THE N.E. 1/4 OF SECTION 25, A DISTANCE OF 2944.28 FEET TO THE INTERSECTION WITH THE EAST BOUNDARY OF SAID SECTION 25, THENCE DEPARTING SAID SOUTH BOUNDARY, PROCEED S00°03'24"W ALONG THE EAST BOUNDARY OF SAID SECTION 25, A DISTANCE OF 1330.48 FEET TO THE EAST 1/4 CORNER OF SAID SECTION 25; THENCE CONTINUE ALONG SAID EAST BOUNDARY S00°09'40"W, A DISTANCE OF 1332.99 FEET TO THE NORTHEAST CORNER OF THE S.E. 1/4 OF THE S.E. 1/4

OF SAID SECTION 25; THENCE DEPARTING SAID EAST BOUNDARY, PROCEED S89°43'40"W ALONG THE NORTH BOUNDARY OF SAID S.E. 1/4 OF THE S.E. 1/4 OF SECTION 25, A DISTANCE OF 1631.57 FEET TO THE NORTHWEST CORNER OF SAID S.E. 1/4 OF THE S.E. 1/4 OF SECTION 25; THENCE DEPARTING SAID NORTH BOUNDARY, PROCEED S00°28'00"W ALONG THE WEST BOUNDARY OF SAID S.E. 1/4 OF THE S.E. 1/4 OF SECTION 25, A DISTANCE OF 1332.82 FEET TO THE INTERSECTION WITH THE SOUTH BOUNDARY OF SAID SECTION 25; THENCE DEPARTING SAID WEST BOUNDARY, PROCEED N89°44'10"E ALONG THE SOUTH BOUNDARY OF SAID SECTION 25, ALSO BEING THE NORTH BOUNDARY OF SECTION 36, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, A DISTANCE OF 1638.67 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPT:

COMMENCE AT THE NORTHEAST CORNER OF SECTION 1, TOWNSHIP 20 SOUTH, RANGE 23 EAST IN SUMTER COUNTY, FLORIDA; THENCE RUN S00°40'20"W, ALONG THE EAST BOUNDARY OF SAID SECTION 1, A DISTANCE OF 1740.01 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S00°40'20"W, ALONG SAID EAST BOUNDARY OF SECTION 1, A DISTANCE OF 1057.86 FEET TO THE EAST 1/4 CORNER OF SAID SECTION 1; THENCE S00°44'45"W, ALONG SAID EAST BOUNDARY OF SECTION 1, A DISTANCE OF 2487.49 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF FLORIDA'S TURNPIKE, AS RECORDED ON FLORIDA STATE TURNPIKE AUTHORITY RIGHT OF WAY MAP PROJECT NO. 2, SECTION 14; THENCE RUN ALONG SAID NORTHERLY RIGHT OF WAY LINE THE FOLLOWING THREE (3) COURSES: (1) N42°21'30"W, A DISTANCE OF 505.19 FEET TO A CURVE THAT IS CONCAVE TO THE SOUTHWEST; (2) THENCE NORTHWESTERLY ALONG SAID CURVE AN ARC DISTANCE OF 1498.35 FEET (SAID CURVE HAVING A RADIUS OF 5879.58 FEET, A CENTRAL ANGLE OF 14°36'04" AND A CHORD BEARING AND DISTANCE OF N49°46'20"W, 1494.30 FEET); (3) THENCE N57°03'06"W, A DISTANCE OF 287.77 FEET TO A POINT ON THE WEST LINE OF A 100 FOOT FLORIDA POWER EASEMENT AS RECORDED IN OFFICIAL RECORDS BOOK 1758, PAGE 342, OF THE PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA; THENCE N02°21'09"W, ALONG SAID WEST EASEMENT LINE, A DISTANCE OF 337.71 FEET; THENCE N00°39'29"E, ALONG SAID WEST EASEMENT LINE, A DISTANCE OF 1724.92 FEET; THENCE S89°36'07"E, A DISTANCE OF 1733.89 FEET RETURNING TO THE POINT OF BEGINNING.

AND LESS

PARCEL 1:

COMMENCE AT THE SOUTHEAST CORNER OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 26, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; THENCE N. 00° 30' 06" E., ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 A DISTANCE OF 1152.51 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N. 00° 30' 06" E., ALONG SAID EAST LINE A DISTANCE OF 70.00 FEET TO THE EXISTING SOUTHERLY PROGRESS ENERGY POWER LINE EASEMENT LINE; THENCE N. 63° 16' 42" E., ALONG SAID SOUTHERLY EASEMENT LINE A DISTANCE OF 529.89 FEET TO THE CUSP OF A CURVE BEING CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1331.36 FEET AND A CENTRAL ANGLE OF 17° 35' 24"; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 408.73 FEET, SAID ARC HAVING A CHORD BEARING OF S. 54° 29' 00" W., AND A CHORD DISTANCE OF 407.13 FEET; THENCE S. 63° 16' 42" W., A DISTANCE OF 159.57 FEET TO THE POINT OF BEGINNING.

AND LESS

PARCEL 2:

WRA B

COMMENCE AT THE SOUTHEAST CORNER OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 26, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; THENCE N. 00° 30' 06" E., ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 26, A DISTANCE OF 1304.60 FEET TO A POINT ON THE PROPOSED CENTERLINE OF COUNTY ROAD 468. THENCE N. 63° 16' 42" E., ALONG SAID CENTERLINE A DISTANCE OF 90.00 FEET TO THE POINT OF CURVATURE OF A CURVE BEING CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1196.11 FEET AND A CENTRAL ANGLE OF 43° 07' 04"; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE AND SAID CENTERLINE A DISTANCE OF 900.13 FEET; SAID ARC HAVING A CHORD BEARING OF N. 41° 43' 10" E., AND A CHORD DISTANCE OF 879.04 FEET; LEAVING SAID CENTERLINE THENCE S. 68° 24' 08" E. ALONG A RADIAL LINE A DISTANCE OF 65.00 FEET TO THE POINT OF BEGINNING; SAID POINT ALSO BEING A POINT ON THE SOUTHEASTERLY RIGHT OF WAY LINE OF COUNTY ROAD 468; THENCE S. 68° 24' 08" E., ON A RADIAL LINE, A DISTANCE OF 37.11 FEET; THENCE N. 84° 32' 29" E. A DISTANCE OF 447.36 FEET; THENCE N. 22° 09' 30" E. A DISTANCE OF 122.39 FEET; THENCE N. 58° 24' 13" E. A DISTANCE OF 128.38 FEET; THENCE N. 80° 26' 21" E. A DISTANCE OF 258.44 FEET; THENCE S. 09° 36' 02" E. A DISTANCE OF 45.70 FEET; THENCE S. 78° 28' 29" W. A DISTANCE OF 173.11 FEET; THENCE S. 26° 58' 33" E. A DISTANCE OF 234.85 FEET; THENCE S. 12° 55' 35" E. A DISTANCE OF 244.22 FEET; THENCE N. 77° 08' 40" E., A DISTANCE OF 61.60 FEET; THENCE S 12° 51' 20" E. A DISTANCE OF 14.00 FEET; THENCE S. 77° 08' 40" W. A DISTANCE OF 61.58 FEET; THENCE S. 12° 55' 35" E. A DISTANCE OF 15.00 FEET TO THE POINT OF CURVATURE OF A CURVE BEING CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 60.00 FEET AND A CENTRAL ANGLE OF 84° 36' 50"; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 88.61 FEET, SAID ARC HAVING A CHORD BEARING OF S. 29° 22' 50" W. AND A CHORD DISTANCE OF 80.77 FEET; THENCE S. 71° 41' 15" W. A DISTANCE OF 118.90 FEET TO THE POINT OF CURVATURE OF A CURVE BEING CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 75.00 FEET AND A CENTRAL ANGLE OF 97° 05' 58"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 127.10 FEET, SAID ARC HAVING A CHORD BEARING OF N. 59° 45' 46" W. AND A CHORD DISTANCE OF 112.43 FEET; THENCE N. 11° 12' 47" W. A DISTANCE OF 236.84 FEET TO THE POINT OF CURVATURE OF A CURVE BEING CONCAVE WESTERLY AND HAVING A RADIUS OF 170.00 FEET AND A CENTRAL ANGLE OF 20° 40' 49"; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 61.36 FEET, SAID ARC HAVING A CHORD BEARING OF N. 21° 33' 11" W. AND A CHORD DISTANCE OF 61.03 FEET; THENCE N. 31° 53' 36" W. A DISTANCE OF 42.15 FEET; THENCE S. 88° 26' 47" W. A DISTANCE OF 218.47 FEET; THENCE S. 84° 32' 29" W. A DISTANCE OF 366.90 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY OF COUNTY ROAD 468, SAID POINT BEING ON A CURVE BEING CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1261.11 FEET AND A CENTRAL ANGLE OF 03° 25' 23"; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE AN ARC DISTANCE OF 75.34 FEET TO THE POINT OF BEGINNING; SAID CURVE HAVING A CHORD BEARING OF N. 21° 56' 46" E. AND A CHORD DISTANCE OF 75.33 FEET.

AND LESS

PARCEL 3:

WRA C

COMMENCE AT THE SOUTHEAST CORNER OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 26, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; THENCE N. 00° 30' 06" E., ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 26, A DISTANCE OF 1304.60 FEET TO A POINT ON THE PROPOSED CENTERLINE OF COUNTY ROAD 468; THENCE N. 63° 16' 42" E., ALONG SAID CENTERLINE A DISTANCE OF 90.00 FEET TO THE POINT OF CURVATURE OF A CURVE BEING CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1196.11 FEET AND A CENTRAL ANGLE OF 53° 42' 28"; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE AND SAID CENTERLINE A DISTANCE OF 1121.21 FEET TO THE POINT OF TANGENCY; SAID ARC HAVING A CHORD BEARING OF N. 36° 25' 28" E., AND A CHORD DISTANCE OF 1080.61 FEET; THENCE N. 09° 34' 14" E., A DISTANCE OF 811.05 FEET; THENCE LEAVING SAID CENTERLINE S. 80° 25' 46" E., A DISTANCE OF 65.00 FEET TO THE POINT OF BEGINNING. SAID POINT ALSO BEING A POINT ON THE EASTERLY RIGHT OF WAY LINE OF COUNTY ROAD 468; THENCE S. 80° 25' 46" E., A DISTANCE OF 203.00 FEET TO THE EASTERLY EASEMENT LINE OF A PROGRESS ENERGY POWER LINE EASEMENT BEING 100 FEET WIDE; THENCE N. 09° 34' 14" E., ALONG SAID EASTERLY LINE, A DISTANCE OF 58.27 FEET; THENCE LEAVING SAID EASTERLY LINE PROCEED S. 80° 25' 46" E., A DISTANCE OF 153.20 FEET; THENCE S. 41° 13' 40" E., A DISTANCE OF 201.57 FEET; THENCE S. 22° 21' 27" E., A DISTANCE OF 234.98 FEET; THENCE S. 67° 38' 33" W., A DISTANCE OF 248.59 FEET; THENCE N. 22° 21' 27" W., A DISTANCE OF 186.22 FEET; THENCE N. 80° 25' 46" W., A DISTANCE OF 124.22 FEET TO SAID EASTERLY LINE OF A POWER LINE EASEMENT; THENCE N. 09° 34' 14" E., ALONG SAID EASTERLY LINE A DISTANCE OF 186.99 FEET, THENCE LEAVING SAID EASTERLY LINE PROCEED N. 80° 25' 46" W., A DISTANCE OF 203.00 FEET TO THE EASTERLY RIGHT OF WAY OF COUNTY ROAD 468, THENCE N. 09° 34' 14" E., ALONG SAID EASTERLY RIGHT OF WAY A DISTANCE OF 55.00 FEET TO THE POINT OF BEGINNING.

AND TOGETHER WITH

THAT LAND LYING IN SECTION 20, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

FROM THE SOUTHEAST CORNER OF THE SOUTHEAST 1/4 OF SAID SECTION 20, BEING THE POINT OF COMMENCEMENT, RUN ALONG THE EAST LINE THEREOF THE FOLLOWING TWO COURSES: N00°07'23"E, 46.67 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE N00°07'23"E, 1,871.16 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY OF FLORIDA'S TURNPIKE; THENCE DEPARTING SAID EAST LINE AND ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY THE FOLLOWING TWO COURSES: N42°56'27"W, 3,013.33 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 5,579.58 FEET; THENCE NORTHWESTERLY ALONG THE ARC THEREOF THROUGH A CENTRAL ANGLE OF 07°56'12", A DISTANCE OF 772.89 FEET TO A POINT ON THE EAST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 20; THENCE DEPARTING SAID SOUTHWESTERLY RIGHT-OF-WAY AND ALONG SAID EAST LINE, S00°09'41"W, 661.41 FEET TO THE NORTH LINE OF SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 20; THENCE DEPARTING SAID EAST LINE AND ALONG SAID NORTH LINE, N89°53'07"W, 1,322.23 FEET TO THE NORTHWEST CORNER OF SAID SOUTHEAST 1/4 OF THE NORTHWEST 1/4; THENCE DEPARTING SAID NORTH LINE AND ALONG THE WEST LINE OF SAID SOUTHEAST 1/4 OF THE NORTHWEST 1/4, S00°10'33"W, 654.20 FEET TO THE NORTHERLY

RIGHT-OF-WAY OF LOIS AVENUE, AS SHOWN ON WILDWOOD RANCH, AS RECORDED IN PLAT BOOK 3, PAGES 29A THROUGH 29B, INCLUSIVE, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA; THENCE ALONG THE FOLLOWING COURSES AS SHOWN ON SAID PLAT: DEPARTING SAID WEST LINE AND ALONG SAID NORTHERLY RIGHT-OF-WAY, S89°39'15"E, 353.50 FEET TO THE NORTHERLY EXTENSION OF THE EASTERLY RIGHT-OF-WAY OF LEE STREET; THENCE DEPARTING SAID RIGHT-OF-WAY, S00°21'17"W, ALONG THE EASTERLY RIGHT-OF-WAY OF LEE STREET AND THE NORTHERLY EXTENSION THEREOF, A DISTANCE OF 178.54 FEET TO THE SOUTHWEST CORNER OF LOT 2, BLOCK P; THENCE DEPARTING THE EASTERLY RIGHT-OF-WAY OF LEE STREET AND ALONG THE BOUNDARY OF SAID LOT 2 THE FOLLOWING COURSES: S89°39'16"E, 580.03 FEET; THENCE N00°21'57"E, 178.54 FEET TO THE NORTHERLY RIGHT-OF-WAY OF LOIS AVENUE; THENCE DEPARTING THE BOUNDARY OF SAID LOT 2 AND ALONG SAID NORTHERLY RIGHT-OF-WAY, S89°39'16"E, 515.91 FEET TO THE NORTHERLY EXTENSION OF THE WESTERLY BOUNDARY OF LOT 13, BLOCK N; THENCE DEPARTING SAID NORTHERLY RIGHT-OF-WAY, S00°22'04"W, ALONG SAID NORTHERLY EXTENSION AND WESTERLY BOUNDARY A DISTANCE OF 666.78 FEET TO THE NORTHEAST CORNER OF LOT 3, BLOCK N; THENCE ALONG THE BOUNDARY OF LOTS 3 AND 4, BLOCK N, THE FOLLOWING COURSES: N89°39'51"W, 155.00 FEET TO THE NORTHWEST CORNER OF SAID LOT 3; THENCE S00°22'04"W, 611.77 FEET TO THE SOUTHWEST CORNER OF SAID LOT 3; THENCE S89°35'38"E, 310.00 FEET TO THE SOUTHEAST CORNER OF SAID LOT 4; THENCE N00°22'04"E, 612.15 FEET TO THE NORTHEAST CORNER OF SAID LOT 4; THENCE DEPARTING THE BOUNDARY OF SAID LOTS 3 AND 4, ALONG THE SOUTHERLY BOUNDARY OF LOTS 9 THROUGH 12, BLOCK N, AND THE EASTERLY EXTENSION THEREOF, S89°39'51"E, 689.50 FEET TO THE EASTERLY RIGHT-OF-WAY OF JUANITA STREET; THENCE DEPARTING SAID EASTERLY EXTENSION AND ALONG SAID EASTERLY RIGHT-OF-WAY, S00°19'38"W, 662.84 FEET TO A POINT ON THE NORTHERLY BOUNDARY OF LOT 4, BLOCK M; THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY AND ALONG SAID NORTHERLY BOUNDARY, S89°37'33"E, 345.89 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 20; THENCE DEPARTING SAID NORTH LINE AND ALONG THE WEST LINE OF SAID SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4, S00°05'42"W, 661.44 FEET TO THE SOUTHWEST CORNER THEREOF AND THE NORTHEAST CORNER OF LOT 20, BLOCK H; THENCE DEPARTING SAID WEST LINE AND ALONG THE NORTHERLY BOUNDARY OF SAID LOT 20, N89°41'39"W, 643.47 FEET TO THE EASTERLY RIGHT-OF-WAY OF WILDWOOD STREET; THENCE DEPARTING SAID NORTHERLY BOUNDARY AND ALONG SAID EASTERLY RIGHT-OF-WAY, S00°21'08"W, 1,310.74 FEET TO THE SOUTHWEST CORNER OF LOT 13, BLOCK H; THENCE ALONG THE SOUTHERLY BOUNDARY OF LOTS 13 AND 30, BLOCK H, S89°38'50"E, 1,260.27 FEET TO THE SOUTHEAST CORNER OF SAID LOT 30 AND THE WESTERLY RIGHT-OF-WAY OF MEDINA STREET; THENCE DEPARTING SAID SOUTHERLY BOUNDARY AND ALONG SAID RIGHT-OF-WAY, N00°21'42"E, 35.24 FEET TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 13, BLOCK G; THENCE DEPARTING SAID RIGHT-OF-WAY AND ALONG SAID WESTERLY EXTENSION AND THE SOUTH BOUNDARY OF SAID LOT 13, BLOCK G, S89°35'54"E, 699.28 FEET TO THE POINT OF BEGINNING.

AND

THE SOUTH 1/2 OF THE SOUTH 1/2 AND NORTHWEST 1/4 OF THE SOUTHEAST 1/4, LYING SOUTH OF LAKE OKAHUMPKA, LESS RIGHT-OF-WAY FOR FLORIDA'S TURNPIKE IN SECTION 21, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA.

AND

COMMENCE AT THE SOUTHEAST CORNER OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 26, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA AND RUN WESTERLY ALONG THE SOUTH LINE THEREOF A DISTANCE OF 436.00 FEET TO THE SOUTHWEST CORNER OF THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1323, PAGE 77, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA, AND THE POINT OF BEGINNING; THENCE DEPARTING SAID SOUTH LINE, RUN NORTH, ALONG THE WEST BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1323, PAGE 77, A DISTANCE OF 500.00 FEET TO THE SOUTHWEST CORNER OF THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1334, PAGE 158, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA; THENCE RUN NORTH ALONG THE WESTERLY BOUNDARY THEREOF, A DISTANCE OF 431.00 FEET, MORE OR LESS, TO A POINT ON THE SOUTHEASTERLY RIGHT-OF-WAY OF C-468 AS DESCRIBED IN OFFICIAL RECORDS BOOK 2211, PAGE 383, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA. THENCE RUN SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT-OF-WAY A DISTANCE OF 1,004.17 FEET, MORE OR LESS, TO THE WEST LINE OF THE SOUTHWEST 1/4 OF SAID SECTION 26; THENCE DEPARTING SAID SOUTHEASTERLY RIGHT-OF-WAY AND ALONG SAID WEST LINE, RUN SOUTH, A DISTANCE OF 477.45 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID SECTION 26; THENCE RUN EAST ALONG THE SOUTH LINE THEREOF A DISTANCE OF 888.50 FEET TO THE POINT OF BEGINNING.

AND

THAT PORTION OF THE SOUTHEAST 1/4 OF SECTION 27, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, LYING SOUTH OF COUNTY ROAD C-468.

AND

THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 27, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY FLORIDA,

AND

THE SOUTH 1/2 OF SECTION 27, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, LYING NORTH OF THE NORTHERLY RIGHT-OF-WAY FOR COUNTY ROAD C-468 AND LYING NORTHEASTERLY OF THE LIMITED ACCESS RIGHT-OF-WAY FOR FLORIDA'S TURNPIKE, AS PER OFFICIAL RECORDS BOOK 2962, PAGE 320, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA, SAID LIMITED ACCESS RIGHT-OF-WAY DESCRIBED AS FOLLOWS:

BEGIN AT THE INTERSECTION OF THE NORTHEASTERLY RIGHT-OF-WAY OF FLORIDA'S TURNPIKE AS DESCRIBED IN OFFICIAL RECORDS BOOK 1352, PAGE 23 PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA AND THE NORTHERLY BOUNDARY OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 871, PAGE 387, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA; THENCE ALONG THE BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORD BOOK 1352, PAGE 23, THE FOLLOWING COURSES: N42°56'50"W, ALONG SAID NORTHEASTERLY RIGHT-OF-WAY A DISTANCE OF 2,536.06 FEET TO THE POINT OF CUSP OF A CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 1,112.00 FEET AND A CHORD BEARING AND DISTANCE OF S65°26'09"E, 543.85 FEET; THENCE DEPARTING SAID NORTHEASTERLY RIGHT-OF-WAY, SOUTHEASTERLY ALONG THE ARC OF SAID CURVE,

THROUGH A CENTRAL ANGLE OF 28°18'33", A DISTANCE OF 549.42 FEET; THENCE DEPARTING THE BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORD BOOK 1352, PAGE 23, S79°35'24"E, 647.30 FEET; THENCE S78°36'25"E, 172.80 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 1,255.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC THEREOF THROUGH A CENTRAL ANGLE OF 29°40'30", A DISTANCE OF 650.00 FEET; THENCE S48°56'05"E, 73.19 FEET; THENCE S51°47'40"E, 225.28 FEET; THENCE S48°55'55"E, 277.70 FEET; THENCE S46°04'10"E, 225.28 FEET; THENCE S48°55'55"E, 126.99 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 550.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC THEREOF THROUGH A CENTRAL ANGLE OF 48°36'09", A DISTANCE OF 466.55 FEET; THENCE S00°19'46"E, 174.91 FEET TO THE NORTHERLY BOUNDARY OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 871, PAGE 387, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA; THENCE ALONG SAID NORTHERLY BOUNDARY THE FOLLOWING COURSES, S89°41'23"W, 291.99 FEET; THENCE N89°48'21"W, 746.65 FEET TO THE POINT OF BEGINNING.

LESS

ANY PORTION OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1077, PAGE 294, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA, SAID LAND DESCRIBED AS FOLLOWS:

BEGIN AT THE MOST SOUTHWESTERLY CORNER OF LOT 8, OF TIMBERWOOD ESTATES, AS SUBDIVISION RECORDED IN PLAT BOOK 3, PAGES 54, 54-A, THROUGH 54-E, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA, SAID POINT ALSO BEING ON THE EAST LINE OF THE SOUTHEAST 1/4 OF SECTION 27, TOWNSHIP 19 SOUTH, RANGE 23 EAST, IN SUMTER COUNTY, FLORIDA, SAID POINT ALSO BEING ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 468; FROM SAID POINT OF BEGINNING, RUN S63 DEGREES 08'41"W, ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 468, A DISTANCE OF 186.53 FEET TO A POINT THAT IS 150 FEET WEST OF, WHEN MEASURED AT RIGHT ANGLES THERETO, THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 27; THENCE N00 DEGREES 15'45"E, PARALLEL WITH THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 27, A DISTANCE OF 900.00 FEET; THENCE N63 DEGREES 08'41"E, PARALLEL WITH THE NORTHWESTERLY LINE OF SAID STATE ROAD NO. 468, A DISTANCE OF 168.53 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 27; THENCE S00 DEGREES 15'45"W, ALONG THE EAST LINE OF THE SOUTHEAST 1/4, A DISTANCE OF 900.00 FEET TO THE POINT OF BEGINNING.

AND LESS

ANY PORTION OF THOSE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2397, PAGE 654, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA; SAID LANDS BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 27, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA. PROCEED THENCE N00°25'17"E, ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 27 A DISTANCE OF 702.53 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF COUNTY ROAD 468; THENCE RUN S63°16'42"W, ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 579.51 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 3209.04 FEET AND A CENTRAL ANGLE OF 03°18'56"; THENCE RUN SOUTHWESTERLY ALONG THE

ARC OF SAID CURVE AND SAID RIGHT-OF-WAY LINE AN ARC DISTANCE OF 185.70 FEET, SAID ARC HAVING A CHORD BEARING OF S64°56'10"W AND A CHORD DISTANCE OF 185.67 FEET; THENCE N26°47'28"W, A DISTANCE OF 636.06 FEET TO THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED PARCEL; THENCE S89°09'36"W, A DISTANCE OF 1392.04 FEET; THENCE N00°00'00"E, A DISTANCE OF 38.43 FEET; THENCE N33°27'25"E, A DISTANCE OF 128.60 FEET; THENCE N90°00'00"E, A DISTANCE OF 65.68 FEET; THENCE N00°00'00"W, A DISTANCE OF 136.46 FEET; THENCE N66°33'20"E, A DISTANCE OF 30.59 FEET; THENCE S86°48'38"E, A DISTANCE OF 39.86 FEET; THENCE N54°48'54"E, A DISTANCE OF 55.88 FEET; THENCE N80°43'41"E, A DISTANCE OF 87.06 FEET; THENCE S82°41'14"E, A DISTANCE OF 71.19 FEET; THENCE S51°13'54"E, A DISTANCE OF 65.18 FEET; THENCE S31°40'45"E, A DISTANCE OF 71.00 FEET; THENCE S20°50'35"E, A DISTANCE OF 109.42 FEET; THENCE S60°43'07"E, A DISTANCE OF 94.48 FEET; THENCE S74°56'15"E, A DISTANCE OF 54.13 FEET; THENCE S80°26'04"E, A DISTANCE OF 105.19 FEET; THENCE S75°26'19"E, A DISTANCE OF 60.91 FEET; THENCE S80°03'12"E, A DISTANCE OF 2.90 FEET; THENCE N89°09'36"E, A DISTANCE OF 180.52 FEET; THENCE N67°24'55"E, A DISTANCE OF 54.46 FEET; THENCE N11°24'01"E, A DISTANCE OF 53.61 FEET; THENCE N31°13'17"E, A DISTANCE OF 71.05 FEET; THENCE N22°50'32"E, A DISTANCE OF 132.04 FEET; THENCE N43°14'32"E, A DISTANCE OF 73.34 FEET; THENCE N44°41'23"E, A DISTANCE OF 82.50 FEET; THENCE N66°57'12"E, A DISTANCE OF 118.62 FEET; THENCE S82°40'56"E, A DISTANCE OF 56.90 FEET; THENCE N86°13'54"E, A DISTANCE OF 55.03 FEET THENCE N78°13'13"E, A DISTANCE OF 53.76 FEET; THENCE N49°39'54"E, A DISTANCE OF 76.95 FEET; THENCE N72°26'22"E, A DISTANCE OF 40.27 FEET; THENCE N51°53'19"E, A DISTANCE OF 86.37 FEET; THENCE S85°05'47"E, A DISTANCE OF 81.98 FEET; THENCE N83°59'34"E, A DISTANCE OF 103.91 FEET; THENCE N80°44'25"E, A DISTANCE OF 65.27 FEET; THENCE N80°39'14"E, A DISTANCE OF 53.25 FEET; THENCE N76°56'22"E, A DISTANCE OF 77.28 FEET; THENCE N67°45'41"E, A DISTANCE OF 116.14 FEET; THENCE S00°37'41"E, A DISTANCE OF 164.14 FEET; THENCE S63°15'42"W, A DISTANCE OF 920.98 FEET; THENCE S 26°47'28", A DISTANCE OF 19.43 FEET TO THE POINT OF BEGINNING.

AND TOGETHER WITH

ALL OF SECTION 28, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, LYING NORTH OF COUNTY ROAD 468, LESS RIGHT-OF-WAY FOR FLORIDA'S TURNPIKE; AND LESS ANY PORTION THEREOF LYING WITHIN THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 2962, PAGE 320, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA; SAID LANDS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: THAT LAND LYING IN SECTIONS 27 AND 28, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS: BEGIN AT THE INTERSECTION OF THE SOUTHWESTERLY RIGHT-OF-WAY OF FLORIDA'S TURNPIKE AND THE NORTHERLY BOUNDARY OF THOSE LANDS DESCRIBED IN OFFICIAL RECORD BOOK 871, PAGE 387, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA; THENCE ALONG SAID NORTHERLY BOUNDARY THE FOLLOWING COURSES: N89°48'22" W, 612.24 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 11,394.16 FEET; THENCE WESTERLY ALONG THE ARC THEREOF THROUGH A CENTRAL ANGLE OF 02°00'43", A DISTANCE OF 400.11 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 11,524.16 FEET; THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 01°56'58", A DISTANCE OF 392.08 FEET; THENCE N89°44'49"W, 329.14 FEET TO THE WESTERLY BOUNDARY OF THE LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1864, PAGE 259, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA; THENCE DEPARTING SAID NORTHERLY BOUNDARY AND ALONG SAID WESTERLY BOUNDARY THE FOLLOWING COURSES: N00°13'42"W, 1,574.91

FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 622.20 FEET; THENCE NORTHERLY ALONG THE ARC THEREOF THROUGH A CENTRAL ANGLE OF 33°45'46", A DISTANCE OF 366.64 FEET TO A POINT ON THE BOUNDARY OF SAID LANDS RECORDED IN OFFICIAL RECORDS BOOK 1352, PAGE 23 AND A POINT ON THE ARC OF A CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1,112.00 FEET AND A CHORD BEARING AND DISTANCE OF N39°26'30"W, 148.13 FEET; THENCE ALONG THE BOUNDARY OF SAID LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 1352, PAGE 23 THE FOLLOWING COURSES: NORTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 07°38'16", A DISTANCE OF 148.24 FEET; THENCE N43°15'38"W, 342.25 FEET; THENCE N40°30'45"W, 513.82 FEET TO THE SOUTHWESTERLY RIGHT-OF-WAY OF FLORIDA'S TURNPIKE; THENCE ALONG SAID SOUTHWESTERLY RIGHT-OF-WAY, S42°56'50"E, 3,681.60 FEET TO THE POINT OF BEGINNING.

AND TOGETHER WITH

THAT LAND LYING IN SECTION 29, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

FROM THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF SAID SECTION 29, BEING THE POINT OF COMMENCEMENT, RUN ALONG THE EAST LINE THEREOF THE FOLLOWING TWO COURSES: S00°19'55"W, 448.33 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE S00°19'55"W, 2,210.14 FEET TO THE EAST 1/4 CORNER OF SAID SECTION 29; THENCE ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION 29, S00°20'02"W, 2,516.37 FEET TO THE NORTHERLY RIGHT-OF-WAY OF C-468; THENCE DEPARTING SAID EAST LINE AND ALONG SAID RIGHT-OF-WAY AS DESCRIBED IN OFFICIAL RECORDS BOOK 2791, PAGE 736 AND OFFICIAL RECORDS BOOK 871, PAGE 387, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA, THE FOLLOWING COURSES: N89°43'13"W, 115.87 FEET; THENCE S88°50'55"W, 747.68 FEET; THENCE N89°09'24"W, 209.10 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 5,794.58 FEET; THENCE WESTERLY ALONG THE ARC THEREOF THROUGH A CENTRAL ANGLE OF 02°29'41", A DISTANCE OF 252.30 FEET TO THE WEST LINE OF THE EAST 1/2 OF THE SOUTHEAST 1/4; THENCE DEPARTING SAID RIGHT-OF-WAY AND ALONG SAID EAST LINE, N00°29'26"E, 1,377.15 FEET TO THE SOUTHEAST CORNER OF LOT 13, BLOCK F, AS SHOWN ON WILDWOOD RANCH, AS RECORDED IN PLAT BOOK 3, PAGES 29A THROUGH 29B, INCLUSIVE, PUBLIC RECORDS OF SUMTER COUNTY, FLORIDA; THENCE ALONG THE FOLLOWING COURSES AS SHOWN ON SAID PLAT: N89°38'52"W, ALONG THE SOUTHERLY BOUNDARY OF SAID LOT 13 A DISTANCE OF 639.93 FEET TO THE EASTERLY RIGHT-OF-WAY OF WILDWOOD STREET; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY, N00°21'01"E, 3,501.12 FEET TO THE NORTHWESTERLY CORNER OF LOT 10, BLOCK H; THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY, S89°39'22"E, ALONG THE NORTHERLY BOUNDARY OF LOT 10, BLOCK H AND LOT 31, BLOCK H, A DISTANCE OF 1,260.08 FEET TO THE WESTERLY RIGHT-OF-WAY OF MEDINA STREET; THENCE DEPARTING SAID NORTHERLY BOUNDARY AND ALONG SAID WESTERLY RIGHT-OF-WAY, S00°21'42"W, 130.36 FEET TO THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 9, BLOCK G; THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY, S89°37'28"E, ALONG SAID WESTERLY EXTENSION AND THE NORTHERLY BOUNDARY OF SAID LOT 9, 699.71 FEET TO THE POINT OF BEGINNING.

AND

THE NORTH 3/4 OF THE EAST 1/2 OF SECTION 33, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA; LESS RIGHT-OF-WAY FOR COUNTY ROAD 501 AND LESS RIGHT-OF-WAY FOR COUNTY ROAD 468;

AND

THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 33, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA AND THE NORTH 30.00 FEET OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 33; LESS THAT PORTION OF THE EAST 35.75 FEET OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4, LYING SOUTH OF THE NORTH 208.71 FEET THEREOF, ALSO LESS RIGHT-OF-WAY FOR COUNTY ROAD 501.

AND

ALL OF SECTION 34, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, LYING SOUTH OF COUNTY ROAD C-468; LESS THE EAST 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 AND LESS THAT PORTION OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 LYING SOUTHWESTERLY OF FLORIDA'S TURNPIKE. ALSO LESS RIGHT-OF-WAY FOR COUNTY ROAD 501; ALSO LESS RIGHT-OF-WAY FOR FLORIDA'S TURNPIKE.

DRAFT

ORDINANCE NUMBER 02018-_____

AN ORDINANCE OF THE CITY OF WILDWOOD, FLORIDA; PROVIDING A SHORT TITLE; PROVIDING FINDINGS AND INTENT; GRANTING A CERTAIN NON-EXCLUSIVE FRANCHISE TO THE CITY OF LEESBURG, FLORIDA, ITS SUCCESSORS AND ASSIGNS ("FRANCHISEE"), A FRANCHISE FOR A PERIOD OF 30 YEARS TO ACQUIRE AND/OR CONSTRUCT, OWN, OPERATE, AND MAINTAIN CERTAIN SERVICES AND FACILITIES TO SERVE AREAS WITHIN AND ADJACENT TO THE VILLAGES AGED RESTRICTED DEVELOPMENT; SETTING FORTH THE TERMS AND CONDITIONS UNDER WHICH SUCH FRANCHISE SHALL OPERATE; PROVIDING FOR CONFLICT AND SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the City Commission of the City of Wildwood, Florida, as follows:

SECTION 1. SHORT TITLE. This Ordinance shall be known and may be cited as the "City of Leesburg Natural Gas Ordinance."

SECTION 2. FINDINGS AND INTENT. The City Commission makes the following findings and intent:

(1) The City of Wildwood, Florida (hereafter "City") exercises control over all publicly dedicated rights-of-way, streets, alleys, bridges, easements and other public places located within the limits of the City.

(2) The City of Leesburg, Florida ("Franchisee") has entered into or will enter into an agreement with South Sumter Gas Company, LLC, a Florida limited liability company ("SSGC") whereby SSGC will construct and convey to Franchisee a natural gas distribution system (the "System"), and Franchisee shall provide end users located within the property located in the City of Wildwood and described in the attached **Exhibit "A"** (the "Property") with natural gas service.

(3) The aforesaid rights-of-way to be used by the Franchisee are valuable public properties to be dedicated to City by the Owners of the Property and maintained by the City at great expense to the City's taxpayers, and the right to use said rights-of-way is a valuable property right to the Franchisee.

(4) The City desires to ensure that the aforesaid rights-of-way used by the Franchisee are promptly restored to a safe and secure condition to protect the health, safety and welfare of the citizens and residents of the City.

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(5) As provided by law and pursuant to the City Charter of Wildwood, Florida, and Chapters 166 and 180, Florida Statutes, the City is authorized to grant non-exclusive franchises to private corporations and individuals to provide gas service to customers within the corporate limits of Wildwood.

(6) The City Charter of Wildwood, Florida, expressly prohibits the grant of exclusive franchises to private entities or individuals for the provision of utility services within the corporate limits of the City.

(7) The City has previously granted a non-exclusive gas franchise to TECO and South Sumter Gas Company, LLC to permit them to provide retail gas service in those portions of the boundaries of the City where such service is requested and desired by the property owners.

(8) For its part, the City has agreed not to compete with other franchisees, such as TECO and South Sumter Gas Company, LLC, by providing its own retail gas service within the boundaries of the City.

(9) The Franchisee has applied for and requested to provide retail gas service within a portion of the boundaries of the City.

(10) The City Commission has considered a request submitted by the proposed Franchisee to provide natural gas services to serve the Property.

(11) The Franchisee already operates a gas utility either by itself or through contracts with others to provide retail gas service to lands, properties, and customers outside the boundaries of the City which are being developed and sold by owners related thereto.

(12) The parties hereto acknowledge and find that the Owners of the Property have stated their preference that the Franchisee be the provider of retail gas services to the Property.

(13) The City and the Franchisee both recognize the desirability and need to effectively provide retail gas service in the manner which is both economical, cost effective and consistent with sound economic policy, while recognizing customer preference.

(14) It is the City's intent to conserve and protect natural resources in the interest of public health, safety and welfare, and to avoid and eliminate the circumstances giving rise to the aforesaid duplications and resulting uneconomical and wasteful operations.

(15) It is also the City's intent to permit, subject to reasonable regulation as contemplated in its Charter and state and federal law, to permit and encourage customer preference to be considered in the granting of non-exclusive franchises for the provision of retail gas service.

(16) In construing this Agreement, it is hereby declared by the parties to be the purpose and the intent of this Agreement to effectively provide retail gas service and to prevent the needless and wasteful expenditures and harm to affected natural resources which would result from unnecessary duplication while also considering and taking into account customer preference as contemplated under Florida law. Nothing contained herein is intended to prohibit persons, corporations or governments other than the parties hereto from lawfully providing retail gas service within the City of Wildwood, Florida, subject to applicable state law. The parties do not intend and are not by this Agreement: (a) placing undue or unreasonable restrictions upon free competition; (b) fixing prices; or (c) unreasonably limiting the availability of retail gas service capacity or supplies.

(17) After due deliberation and full consideration, the City Commission has determined to grant a franchise to the Franchisee to provide such services, subject to the terms and conditions set forth below.

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SECTION 3. DEFINITIONS. For the purposes of this Ordinance, the following terms shall have the meaning given herein:

- (a) The term "City" shall mean the City of Wildwood, Florida.
- (b) The term "Customers" shall mean and include any and all organizations, firms, entities or persons who may desire or require Franchisee's services for land located within the Franchise Territory.
- (c) The term "Franchisee" shall mean The City of Leesburg, Florida, or any entity who is assigned the franchise rights of Franchisee, in accordance with this Ordinance.
- (d) The term "Franchise" or "Franchise Agreement" shall mean this Ordinance and agreement, as passed and adopted by the City and accepted by Franchisee.
- (e) The term "Franchise Territory" shall mean the following: (i) the area of the City more particularly described in **Exhibit "A"** attached hereto and incorporated herein, which area includes the Property and certain public right-of-way located adjacent to the Property; (ii) any and all streets, alleys, public ways or easements, and public property or places that may now or hereafter exist within the area of the City; and (iii) any other property that may be approved by the City from time to time for development as part of The Villages ARD Planned Development (as that term is used in The Villages ARD Franchisees Ordinance, O2017-23), provided such additional property must be added as an amendment to this franchise by ordinance, less and except that portion of the City lying within the Brownwood community.
- (f) The term "Operating Revenues" for Franchisee shall mean all user fees collected by Franchisee from the sale of such services provided by Franchisee to Customers within and throughout the Franchise Territory. Operating Revenues shall not include Customer deposits, meter fees, fees or improvements received as contributions-in-aid-of-construction, or other non-user fees or charges derived from the operation of the services of such Franchisee.
- (g) The term "Systems" shall have the meaning as herein defined in Section 5.

SECTION 4. AUTHORITY. This Ordinance is being adopted pursuant to the City's Charter, relevant special acts, and Chapter 166, Florida Statutes (2017).

SECTION 5. GRANT OF AUTHORITY. There is hereby granted by the City to Franchisee the non-exclusive right, privilege, and franchise to erect, construct, operate and maintain the Systems and related facilities, including but not be limited to natural gas pipelines and associated equipment and facilities, distribution lines, regulators, pressure meters, communication systems, warning systems, automatic controls, and shutoff fittings, all and collectively used as a means of conveying, distributing and selling certain services authorized by this Ordinance in Section 7 to any person or entity to be supplied by Franchisee within the Franchise Territory and to sell and distribute such services to Customers within and throughout the Franchise Territory (hereinafter collectively referred to as "Systems"). The foregoing rights granted to Franchisee shall be non-exclusive, but the City agrees, as part of the consideration for the granting of the purchase option set forth in this Franchise, to refrain from granting a similar franchise within the Franchise Territory to any other private, non-governmental entity or person at any time during the period of this Franchise, except for pre-existing franchises. The Franchisees each acknowledge that the City

currently has Franchise Agreements with TECO (Ordinance No. O2009-13) dated August 9, 2009, and South Sumter Gas Company, LLC (Ordinance No. O2017-23) dated May 8, 2017.

SECTION 6. NATURE OF FRANCHISE; POWERS RETAINED BY CITY. Once this Ordinance becomes final, it shall be deemed both a contract with Franchisee and a legislative act as provided under Florida law. Franchisee is subject to all franchises and permits heretofore granted by the City Commission to use the streets, alleys, lanes and public places of the City by public utility or public service corporations. It is not intended by the grant of this Franchise to abridge the exercise of the police power of the City. The grant of this Franchise is subject to all ordinances and resolutions of the City Commission as the same now exist or may be hereafter amended, revised or modified to the extent not inconsistent with the terms of this Franchise. Franchisee shall at all times continue to be subject to all applicable public service taxes (Section 166.231, Florida Statutes), ad valorem taxes (Section 166.211, Florida Statutes), and such other applicable taxes, charges or fees as may be lawfully authorized by the Florida Constitution, the general or special laws of the State of Florida, the provisions of the Municipal Home Rule Powers Act (Chapter 166, Florida Statutes), or the ordinances of the City, subject to the provisions of this Section 5 and to the extent that such ordinances are not preempted, as a matter of law, by federal or state law. Franchisee shall, at all times, during the life of this Franchise, be subject to all lawful exercises of police power by the City, and to such reasonable laws, rules and regulations as the City shall hereafter, by resolution or ordinance provide, including, but not limited to, any ordinances pertaining to excavation, reconstruction and development requirements and standards.

SECTION 7. GRANT OF FRANCHISE.

(a) **Franchise Granted to The City of Leesburg, Florida.** For natural gas transmission, distribution and related facilities, The City of Leesburg, Florida is granted the non-exclusive franchise pursuant to the provisions of this Ordinance. Franchisee shall be responsible for acquiring and/or constructing, operating, and maintaining the facilities in accordance with Section 5. Franchisee shall pay to the City a franchise fee as provided in this Ordinance

SECTION 8. INDEMNIFICATION; INSURANCE.

(1) Franchisee and its subcontractors, to the extent permitted by law, and subject to the limitations imposed by §768.28(19), Fla. Stat. (2017), shall indemnify and hold harmless the City, its agents, elected or appointed officials, officers and employees from any and all liability, claims, demands, damages, expenses, fees, penalties, suits, proceedings, actions and cost of actions (including attorneys' fees and costs at trial and on appeal), of any kind or nature, arising or growing out of, or any way connected with the exercise by Franchisees of its rights contained herein.

(2) Franchisee and its subcontractors shall procure and maintain, for the duration of this Franchise, insurance of the types and limits specified below:

- a. Comprehensive General Liability - bodily injury and property damage coverage shall be for not less than \$1,000,000.00 per occurrence and not less than \$1,000,000.00 in the aggregate. The City shall be named as an additional insured on the policy.
- b. Business Automobile Liability - business automobile liability coverage shall be in a combined single limit of not less than \$500,000.00 per occurrence.

The City shall be named as an additional insured on the policy.

- c. The City Commission for the City of Wildwood shall have the right to reassess and adjust the required amount of liability insurance required under this Section every five (5) years, if necessary. In so doing, the City Commission shall take into consideration all relevant factors, including, but not limited to, the rate of inflation, changes in law, and information related to risk assessment for the City. Whenever the City Commission exercises its right to reassess the amount of liability insurance required, the Franchisee shall have the right to present any information that it deems relevant to the City Commission's determination regarding the same.

SECTION 9. SERVICE STANDARDS. Franchisee shall maintain and operate its Systems and facilities and render efficient service in accordance with the rules and regulations as are, or may be, set forth by the City and/or other agency and/or entity with jurisdiction to regulate and/or promulgate rules regarding Franchisee's operations.

SECTION 10. PAYMENTS TO THE CITY.

(1) **Franchise Fee.** In consideration for the granting of this Franchise, the Franchisee, its successors and assigns, shall pay to the City, and its successors, an annual amount which will equal six percent (6%) of Franchisee's annual gross operating revenue taken in and received by it for providing all aspects of natural gas service to its customers within the corporate limits of the City, as now or hereafter constituted. The Franchisee shall pay the franchise fee provided by this section quarterly on January 1, April 1, July 1 and October 1 of each year during the term of this franchise. Any payments not made by the Franchisee within 20 days after the date said payment is due, shall thereafter be payable with interest at the rate of eighteen percent (18%) per annum.

Except as otherwise provided for within this Ordinance, the Franchisee shall at all times continue to be subject to and shall pay to the City all legally authorized public service taxes, ad valorem taxes (intangible, personal, real), occupational taxes, and any and all other valid tax, levied or imposed by the City. Such charges and fees shall include but not be limited to licensing, permit fees, development review and inspection fees and all other such fees including fees, charges, taxes and/or assessments validly adopted and/or imposed during the term of this Franchise Agreement.

(2) **Electronic Payment.** The quarterly Franchise Fee payments shall be made by wire transfer or other electronic means. Any quarterly payment or any portion thereof received after the due date shall be subject to interest at the rate of eighteen percent (18%) per annum until all payments due hereunder are paid in full.

SECTION 11. RECORDS AND REPORTS. The City or its designated representative shall have the right during the term of this Franchise to examine, at all reasonable business hours, all of Franchisee's plans, contracts, engineering, accounting, finance, statistical, customer and service records relating to performance under this Ordinance; provided, however, that the City expressly acknowledges and agrees that Franchisee may redact proprietary information and any private customer information from such documents and records prior to making the same available to the City for examination hereunder. The City agrees to keep any information it obtains confidential to the maximum extent possible under Florida's public records law. As well, Franchisee shall provide directly to the City an annual summary report showing gross revenues received by Franchisee from its operations within the City during the preceding fiscal year and

such other information as the City shall request with respect to properties, quality control, and expenses related to Franchisee service within the City. The City may audit the financial records of Franchisee for the purpose of determining that proper collection or payment of franchise fees is being made by Franchisee in accordance with this Ordinance at the City's initial expense. Franchisee shall cooperate with and make available those records necessary for City to perform the audit. If the audit demonstrates that payment or collection of franchise fees is more than 5% less than the semi-annual amount that should have been paid or collected, Franchisee shall, in addition to paying the fees that should have been paid or collected, pay the cost of the audit.

SECTION 12. RATES. Franchisee shall be responsible for the billing and collection of all fees and rates charged to Customers of the services authorized to Franchisee by this Ordinance.

SECTION 13. TRANSFER OR ENCUMBRANCE OF FRANCHISE. Franchisee may not assign or otherwise transfer its franchise rights except with the prior written consent of the City expressed by an ordinance, which consent shall not be unreasonably withheld, conditioned or delayed. Franchisee shall be released from all obligations set forth in this Ordinance upon the assignment of its rights in accordance with this Section and upon the written acceptance by assignee of the obligations so assigned by Franchisee.

SECTION 14. FORFEITURE OF FRANCHISE; NON-COMPLIANCE. In the event of a material default by Franchisee with respect to its obligations under this Ordinance, the City shall provide written notice of such default to Franchisee. In the event that Franchisee fails to cure the alleged material default within sixty (60) days of its receipt of such notice from the City, then the City shall be entitled: (i) to file an action against Franchisee for specific performance of its obligations under this Ordinance; (ii) to file an action against Franchisee for damages actually incurred by City by reason of Franchisee's default of its obligations under this Ordinance, provided in no event shall City be entitled to recover any consequential, indirect, special, speculative, punitive or exemplary damages from Franchisee; or (iii) to file an action against Franchisee to terminate the Franchise.

SECTION 15. TERM OF FRANCHISE. This Franchise and the rights herein granted shall take effect after final passage of this Ordinance, as required by law, and fully executed by both parties, and acceptance by Franchisee in accordance with Section 16 below, and shall continue in full force and effect for a term of thirty (30) years after the date on which this Franchise Agreement has been accepted by Franchisee in accordance with Section 16 below. The City recognizes that this Ordinance may incorporate additional property in the future which pursuant to Section 3(e) will become part of the Franchise Territory. At such time as the additional property is rezoned by the City to Villages ARD Planned Development, the parties agree to amend the term of this Franchise to expire thirty (30) years of the date the additional property is zoned Villages ARD Planned Development.

SECTION 16. ACCEPTANCE. This Franchise is hereby granted upon the condition that, within thirty (30) days after the date of passage of this Ordinance, Franchisee shall file with the City Clerk its acceptance of the terms and conditions of this Franchise, which acceptance shall be in writing, duly executed by or on behalf of the Franchisee and contain the Franchisee's address.

SECTION 17. SEVERABILITY. Should any section or provision of this Franchise or any portion thereof, the deletion of which would not adversely affect (in the general sense) the receipt of any material benefits or, substantially increase the burden of any party hereunder, be declared by a judicial or administrative tribunal of competent jurisdiction to be invalid, such decision shall

not affect the validity of the remainder, as a whole or any part thereof, other than the part declared to be invalid. In the event of any such partial invalidity, the City and Franchisee shall meet and negotiate in good faith to obtain a replacement provision that is in compliance with the judicial or administrative authority's decisions and consistent with the original intent of the parties as contained herein. If such decision is fundamental to or alters the essence of this Franchise, then the parties agree to negotiate a new franchise agreement.

SECTION 18. GOVERNING LAW AND VENUE. The rights and privileges granted to Franchisee by this Franchise shall at all times be subordinate and inferior to the rights of the public in and to the ordinary use of the Public Rights-of-Way and nothing in this Franchise shall be considered as a surrender by the City of its right and power to use and relocate the use of its rights-of-way. In the event that any legal proceeding is brought to enforce the terms of this Franchise, the same shall be brought in Sumter County, Florida.

SECTION 19. NOTICES. Except in exigent circumstances, and except as otherwise specifically provided in this Franchise, all notices by either City or Franchisee to the other shall be made by either depositing such notice in the United States Mail, Certified Mail return receipt requested or by facsimile. Any notice served by certified mail return receipt shall be deemed delivered five (5) days after the date of such deposit in the United States Mail unless otherwise provided. Any notice given by facsimile is deemed received by next Business Day. "Business Day" for purposes of this Section shall mean Monday through Friday, with Saturday, Sunday and City and Franchisee observed holidays accepted. All notices shall be addressed as follows:

As To City: City of Wildwood
Attn: Jason McHugh, AICP
City Manager
100 N. Main Street
Wildwood, FL 34785

With Copy to: Ashley S. Hunt, Esq.
Hunt Law Firm, P.A.
109 E. Main Street
Leesburg, FL 34748

As To Franchisee: City of Leesburg
Attention: City Manager
501 West Meadow Street
Leesburg, Florida 34748

With Copy to: McLin Burnsed P.A.
City Attorneys
1000 West Main Street
Leesburg, Florida 34748

Notice shall be given as required by this Franchise and for all other emergencies. Notice shall be provided to the above-named addressees unless directed otherwise in writing by the City or Franchisee.

SECTION 20. NON-WAIVER PROVISION. The failure of either Party to insist in anyone or more instances upon the strict performance of anyone or more of the terms or provisions of

DRAFT

this Franchise shall not be construed as a waiver or relinquishment for the future of any such term or provision, and the same shall continue in full force and effect. No waiver or relinquishment shall be deemed to have been made by either party unless said waiver or relinquishment is in writing and signed by the Parties.

SECTION 21. COMPLETE AGREEMENT. This Franchise together with the exhibits (as may be amended from time to time in accordance with the terms hereof) represents the entire agreement of the Parties and supersedes all prior representations whether oral or in writing with respect to the rights of the Parties.

SECTION 22. AMENDMENTS TO FRANCHISE AGREEMENT. Changes in the terms and conditions to this Franchise Agreement may be made by written agreement between the City and the Franchisee.

SECTION 23. ORDINANCES REPEALED. All ordinances and parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed as of the effective date.

SECTION 24. EFFECTIVE DATE. This Ordinance granting a franchise to Franchisee shall take effect immediately upon becoming a law; provided, however, this Ordinance shall become effective only upon the written acceptance of Franchisee all as provided in Sections 15 and 16 hereinabove.

SECTION 25. . RIGHT OF ACQUISITION BY CITY. At the expiration of this Franchise, the City at its election, shall have the right to purchase and take over the property and services of the Franchise subject to this Ordinance. Upon the exercise of this option by the City by the service of an official notice upon the Franchisee to that effect and payment to Franchisee of the price, the Franchisee shall execute such deeds or instruments of conveyance to the City as shall be required to convey to the City title to the property in fee simple, free from any and all liens and encumbrances.. The price, which shall be based upon fair market value as determined by mutual agreement or non-binding arbitration. Each side shall pay its own attorneys' fees.

The Franchisee shall make it a condition of each contract entered into by it with reference to operations under this Franchise that the contract shall be subject to the exercise of this option by the City and that the City shall have the right to be substituted for the Franchisee as a party to any such contract and shall have the right to succeed to all privileges and the obligations thereof at its option.

DONE AND ORDAINED this _____ day of _____, 2018, by the City Commission of the City of Wildwood, Florida.

CITY COMMISSION
CITY OF WILDWOOD, FLORIDA

Ed Wolf, Mayor

ATTEST: _____
Cassandra Lippincott, City Clerk

First Reading: _____

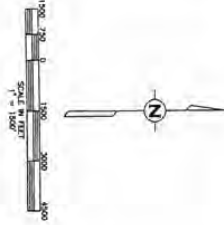
Second Reading: _____

Approved as to form:

Ashley Hunt, City Attorney

 DRAFT

CONTAINING 7082 ACRES±



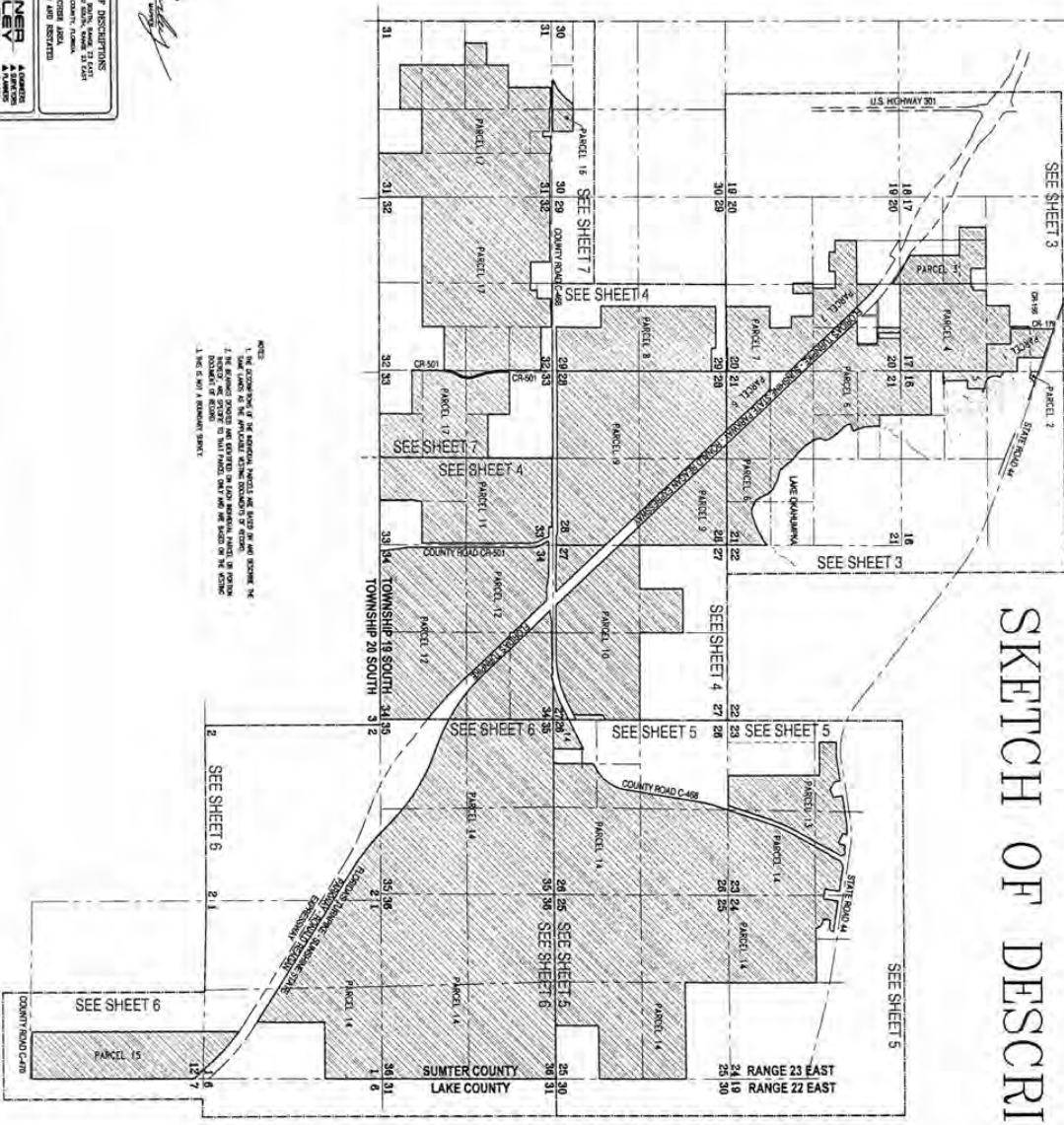
SHEET 1 OF 7

OWNER: **PEOPLES GAS SYSTEM, LLC**
 PROJECT: **PEOPLES GAS SYSTEM, LLC**
 COUNTY: **SUMNER COUNTY, IOWA**
 ADDRESS AND ACRES: **12218 5th Street, 7082 Acres**

CARNER SURVEY
 A MEMBER OF
 AMERICAN SURVEYING ASSOCIATION

12218 5th Street
 7082 ACRES±

NOTE:
 1. THE BOUNDARIES OF THE ORIGINAL PARCELS OF LAND IN THIS COUNTY ARE SHOWN BY THE DASHED LINES.
 2. THE BOUNDARIES OF THE PARCELS OF LAND IN THIS COUNTY ARE SHOWN BY THE SOLID LINES.
 3. THE BOUNDARIES OF THE PARCELS OF LAND IN THIS COUNTY ARE SHOWN BY THE DOTTED LINES.
 4. THE BOUNDARIES OF THE PARCELS OF LAND IN THIS COUNTY ARE SHOWN BY THE HATCHED LINES.
 5. THE BOUNDARIES OF THE PARCELS OF LAND IN THIS COUNTY ARE SHOWN BY THE STIPPLED LINES.



SKETCH OF DESCRIPTIONS

LEGEND	
LB	LICENSED BUSINESS
PGB	POINT OF BEGINNING
A	ACRE
L	LINE
MLC	MEASURED LENGTH
CS	CHORD BEARING
BNG	BEARING
PL	PLATE
H/M	POST-TENSION
W/M	WATER
OR	OFFICIAL RECORDS BOOK

EXHIBIT A

EXHIBIT C



AGENDA MEMORANDUM

Item No: 5E.

Meeting Date: February 12, 2018

From: Jack Rogers, Gas Director

Subject: An Ordinance creating section 22-250 pertaining to Natural Gas Rates within The Villages service area.

Staff Recommendation:

Staff recommends approval of Section 22-250, of the Code of Ordinance, establishing a rate structure and method of setting commercial and residential rates within the Villages service area.

Analysis:

South Sumter Gas Company, LLC (SSGC) is constructing natural gas infrastructure in the Villages Community generally located within the City of Wildwood, south of Hwy 44. Upon completion of each section, they wish to convey ownership of the system, to the City of Leesburg, for maintenance and operation of the system. This Ordinance establishes a Villages Natural Gas rate structure and method of setting residential and commercial rates, which in aggregate, will mirror the rate paid by similarly situated customers in the Villages who are currently served by TECO, Peoples Gas.

Options:

1. Approve Section 22-250 of the Code of Ordinance; or
2. Such alternative action as the Commission may deem appropriate.

Submission Date and Time: 2/7/2018 4:15 PM

Department: <u>Gas</u> Prepared by: <u>JR</u> Attachments: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Advertised: <input type="checkbox"/> Not Required <input type="checkbox"/> Dates: _____ Attorney Review: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> _____ Revised 6/10/04	Reviewed by: Dept. Head <u>JR</u> Finance Dept. _____ Deputy C.M. _____ Submitted by: _____ City Manager _____	Account No. _____ Project No. _____ WF No. _____ Budget _____ Available _____
--	--	---

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF LEESBURG, FLORIDA, CREATING SECTION 22-250 OF THE CODE OF ORDINANCES, SETTING FORTH RATE PARAMETERS FOR PROVIDING NATURAL GAS SERVICE WITHIN THE VILLAGES SERVICE AREA, PROVIDING FOR THE APPLICABILITY OF THIS ORDINANCE, DEFINING THE VILLAGES SERVICE AREA, REPEALING ORDINANCES IN DIRECT CONFLICT, PROVIDING A SAVINGS CLAUSE, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF LEESBURG, FLORIDA:

SECTION I.

Section 22-250 of the Code of Ordinances of the City of Leesburg, Florida, is created to read as set forth below:

Sec. 22-250 Villages Natural Gas Rate Structure and Method of Setting Rates

- A. Villages Monthly Customer Charge. The amount charged to natural gas customers within the Villages Service Area (“Villages Monthly Customer Charge”) shall, except as provided below, be equal to the total monthly customer charge as issued by the company currently doing business as TECO People’s Gas, (hereafter “Peoples”) and its successors, from time to time; *provided however*, the City shall not be required to reduce the Villages Monthly Customer Charge for residential or commercial customers below the monthly customer charges imposed against similarly situated customers served by Peoples on January 1, 2018, even if Peoples subsequently reduces its monthly customer charges.
- B. Villages Aggregate Charge. There shall be a total aggregate charge per therm, which shall generally consist of a distribution charge, other surcharges, and a fuel charge. Subject to the proviso in subsection (A) that the Villages Monthly Customer Charge is not to be reduced below the amount charged by Peoples on January 1, 2018, the Villages Aggregate Charge (“Villages Aggregate Charge”) shall be equal to the total aggregate charges per therm for distribution, other surcharges and fuel as issued by Peoples, and its successors, as amended from time to time, with any changes in the monthly fuel charge by either Peoples or the City to be reflected in the distribution charge component of the Villages Aggregate Charge. Notwithstanding the foregoing, the City may request that SSGC consent to a temporary increase in the Villages Aggregate Charge so that the difference between the Villages Aggregate Charge, and the “Native Rate” (as defined in the Agreement), is maintained at the minimum levels described in Paragraph 7(C) of the Agreement.

C. Service Charges. The City shall not offer transportation service to any customer, residential, commercial, industrial or other, located in the Service Area. Fees for service turn-on and turnoff shall not exceed those charged by Peoples, unless the fee charged by Peoples is less than the fee charged to City's natural gas customers outside the Villages Service Area, in which case the charge within the Villages Service Area shall equal the charge imposed on City's natural gas customers outside the Villages Service Area. The City may also charge customers for other miscellaneous non-recurring charges and fees, such as Collection Charges and Late Fees, at the same level and method as the City charges for its customers outside the Villages Service Area. The City shall apply its existing natural gas deposit ordinance for its customers outside the Villages Service Area, as modified from time to time by the Leesburg City Commission, to all customers served under this rate structure. Fees and service charges for services required in this section shall be as set forth in the city's adopted utility service fee schedule, then in effect.

D. This Ordinance shall apply only to natural gas rates within the "Villages Service Area," as that term is defined in the Natural Gas System Construction, Purchase, and Sale Agreement between the City of Leesburg and South Sumter Gas Company, LLC (referred to elsewhere in this Ordinance as "SSGC"), as amended from time to time (referred to elsewhere in this Ordinance as the "Agreement"), and not to rates for natural gas sold by the City of Leesburg outside the Villages Service Area.

SECTION II.

If any portion of this ordinance is declared invalid or unenforceable, then to the extent it is possible to do so without destroying the overall intent and effect of this ordinance, the portion deemed invalid or unenforceable shall be severed herefrom and the remainder of this ordinance shall continue in full force and effect as if it were enacted without including the portion found to be invalid or unenforceable.

SECTION III.

All ordinances or parts of ordinances which are in direct conflict with this ordinance are hereby repealed, to the extent necessary to alleviate the conflict, but shall continue in effect insofar as they are not in direct conflict herewith, unless repeal of the conflicting portion destroys the overall intent and effect of any of the conflicting ordinances, in which case those ordinances so affected shall be hereby repealed in their entirety.

SECTION V.

This ordinance shall become effective upon its passage and adoption according to law.

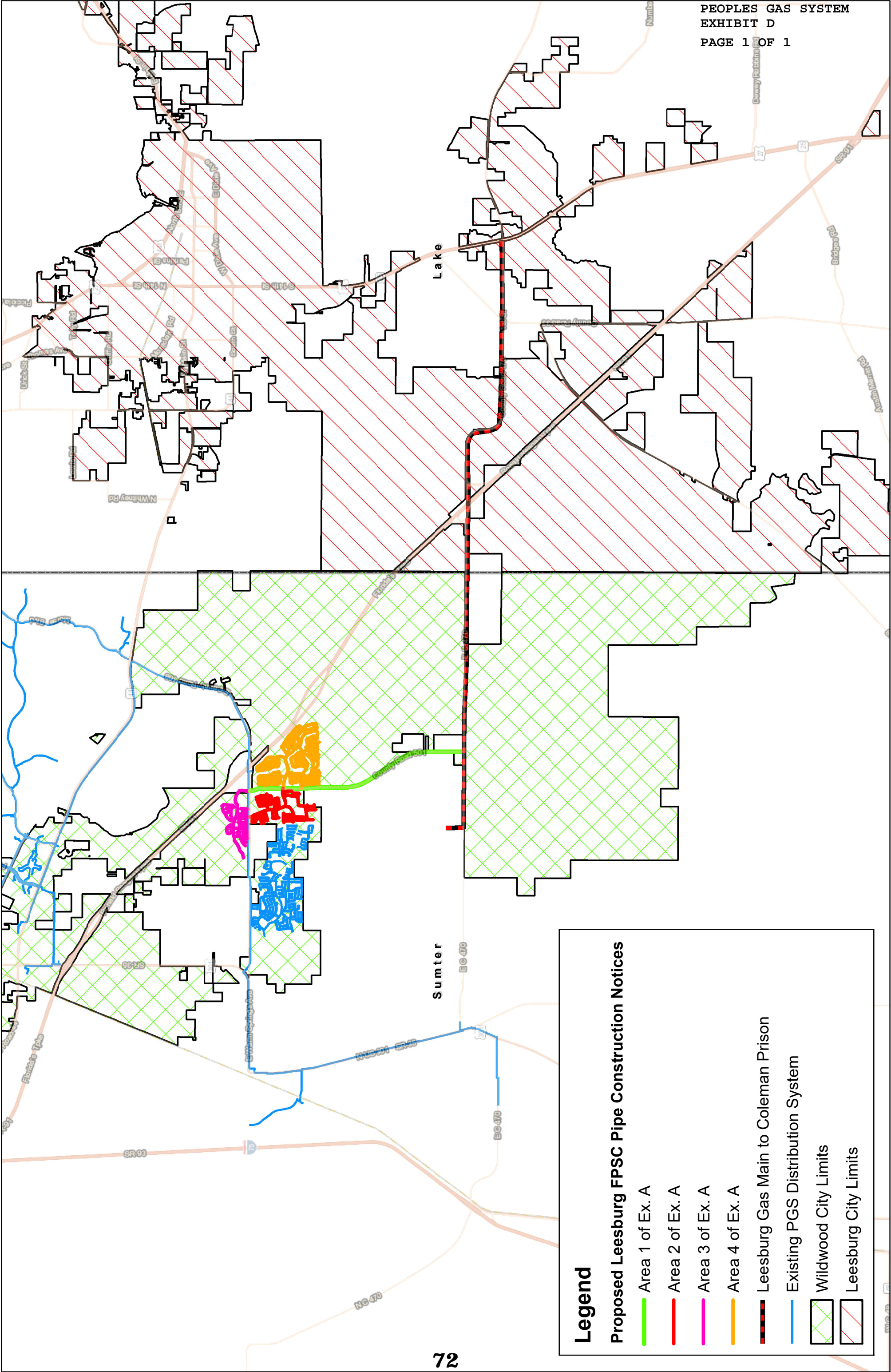
PASSED AND ADOPTED at the regular meeting of the City Commission of the City of Leesburg, Florida, held on the _____ day of _____, 2018.

THE CITY OF LEESBURG, FLORIDA

BY: _____
H.D. ROBUCK III, Mayor

Attest: _____
J. ANDI PURVIS, City Clerk

EXHIBIT D

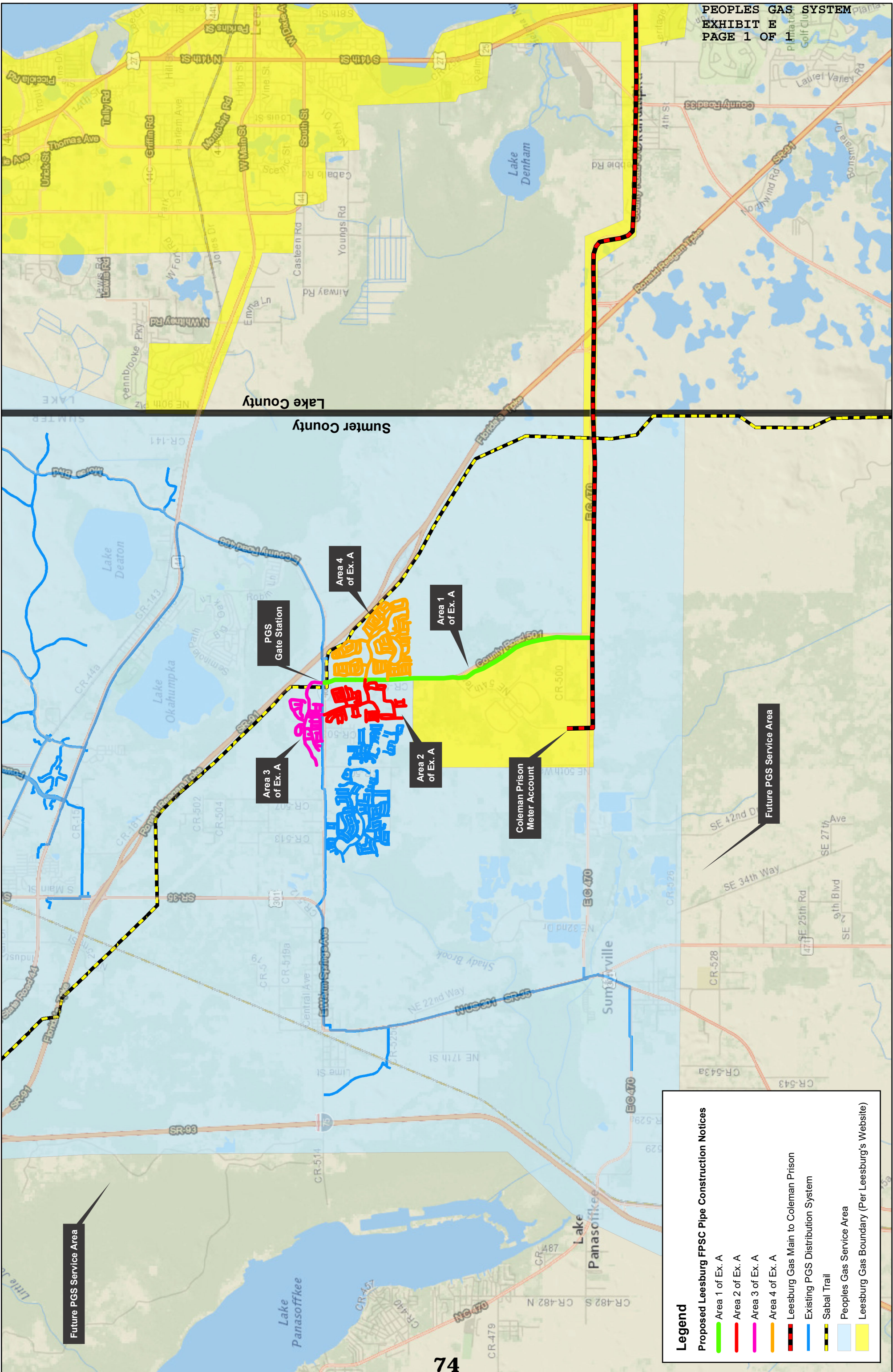


Legend

Proposed Leesburg FPSC Pipe Construction Notices

- Area 1 of Ex. A
- Area 2 of Ex. A
- Area 3 of Ex. A
- Area 4 of Ex. A
- Leesburg Gas Main to Coleman Prison
- Existing PGS Distribution System
- Wildwood City Limits
- Leesburg City Limits

EXHIBIT E



Legend

- Proposed Leesburg FPSC Pipe Construction Notices
 - Area 1 of Ex. A (Green line)
 - Area 2 of Ex. A (Red line)
 - Area 3 of Ex. A (Pink line)
 - Area 4 of Ex. A (Orange line)
- Leesburg Gas Main to Coleman Prison (Black dashed line)
- Existing PGS Distribution System (Blue line)
- Sabal Trail (Black dashed line)
- Peoples Gas Service Area (Light blue shaded area)
- Leesburg Gas Boundary (Per Leesburg's Website) (Yellow shaded area)

Future PGS Service Area

Area 3 of Ex. A

Area 4 of Ex. A

Area 1 of Ex. A

Area 2 of Ex. A

Coleman Prison Meter Account

Future PGS Service Area

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition to resolve territorial dispute in Sumter County and/or Lake County with City of Leesburg and/or South Sumter Gas Company, LLC, by Peoples Gas System.

DOCKET NO. 20180055-GU
ORDER NO. PSC-2018-0335-PCO-GU
ISSUED: June 28, 2018

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

ORDER DENYING THE CITY OF LEESBURG'S AND SOUTH SUMTER
GAS COMPANY LLC'S MOTIONS TO DISMISS PEOPLES GAS
SYSTEM'S PETITION TO RESOLVE TERRITORIAL DISPUTE

BY THE COMMISSION:

Background

On February 23, 2018, Peoples Gas System (Peoples) filed a petition (Petition) pursuant to Section 366.04(3)(b), Florida Statutes (F.S.), and Rule 27-7.0472, Florida Administrative Code (F.A.C.), requesting that we resolve a territorial dispute between Peoples and City of Leesburg (Leesburg) and South Sumter Gas Company, LLC (SSGC). On April 2, 2018, SSGC and Leesburg filed separate motions to dismiss the Petition and requests for oral argument. On April 9, 2018, Peoples filed separate responses to SSGC and Leesburg's motions to dismiss and requests for oral argument. We heard oral argument on SSGC's and Leesburg's Motions to Dismiss at the June 5, 2018, Agenda Conference. We have jurisdiction pursuant to Chapter 366.04, F.S.

Decision

Peoples Petition

The Petition states that Peoples is a natural gas local distribution company providing sales and transportation delivery of natural gas throughout most of Florida to a total of approximately 380,000 customers, and is a "natural gas utility" as defined by Section 366.04(3)(c), F.S., subject to our statutory jurisdiction to resolve territorial disputes. The Petition

describes Leesburg as a Florida municipality which operates a natural gas distribution system in portions of Lake and Sumter Counties as a “natural gas utility” as defined by Section 366.04(3)(c), F.S.

Peoples asserts that Leesburg is subject to our statutory jurisdiction to resolve territorial disputes. The Petition states that SSGC is a Florida limited liability company formed on or about March 22, 2017. The Petition also states that SSGC does not currently provide natural gas service, does not have customers, and is constructing natural gas infrastructure in the service area at issue on behalf of the Villages (a large Central Florida Community that spans 3 counties).

The Petition describes Peoples’ natural gas distribution facilities in Sumter County as “extensive” while Leesburg’s are “limited.” Peoples contends that virtually all of Leesburg’s facilities and customers are in Lake County and Leesburg. Virtually all of Peoples’ customers in Sumter County are located within the Villages. Peoples states that its employees observed natural gas construction materials at the intersection of County Roads 468 and 501 in Sumter County, in late December 2017. Peoples states that it met with the Director of the Leesburg Gas Department, in January 2018, to determine what was being constructed and to avoid a territorial dispute. Peoples was directed by Leesburg to contact the Villages for details.

According to the Petition, in August 2009, Peoples was granted by the City of Wildwood, a non-exclusive franchise to provide natural gas service (the service areas in question all appear to fall within the Wildwood City limits). Peoples alleges that the City of Wildwood is in the process of establishing a non-exclusive franchise agreement with SSGC to provide natural gas to the same service area.

The Petition also contains a copy of an Agenda Memorandum recommending approval of an Ordinance by Leesburg that would ratify a franchise agreement between Leesburg and SSGC. The Leesburg and SSGC Agreement concerns the construction, purchase, and sale of certain natural gas distribution facilities, for the purpose of providing natural gas service to customers located within the service area in question. The Agreement states that upon completion of each section in the development, SSGC has agreed to convey ownership of the system to Leesburg in exchange for receiving a portion of the gas revenues charged to natural gas customers within the service area. Peoples’ Petition contains a map where SSGC has depicted its proposed natural gas infrastructure within the service area in question.

According to Peoples’ Petition, Leesburg submitted construction notices to the Commission as required by Rule 25-12.082, F.A.C. Peoples argues that the notices reflect planned construction of natural gas facilities in Sumter County which is taking place immediately adjacent to Peoples’ existing natural gas facilities. Peoples alleges that some of these facilities would cross an existing Peoples’ distribution main.

Peoples wants to provide natural gas services to the customers in the service area in question. Peoples depicts the disputed area in two color coded maps attached to its Petition. The first map contains Peoples’ rendition of the SSGC’s proposed natural gas construction projects in reference to the City of Wildwood’s municipal boundaries. The second map depicts SSGC’s and

Leesburg's proposed natural gas infrastructure to be constructed in the service area, against a backdrop of the existing Peoples' natural gas distribution system and its claimed service area.

South Sumter Gas Company's and the City of Leesburg's Motions to Dismiss

South Sumter Gas Company, LLC: SSGC asserts that the Petition does not properly state a cause of action in that the Petition does not comply with an essential pleading requirement. Specifically, SSGC asserts that the Petition does not plead a statement of all disputed issues of material fact. SSGC also characterizes the Petition as a collection of insufficient conclusory allegations.

SSGC also states that the Petition does not sufficiently allege minimum pleading requirements necessary to sustain a territorial dispute. SSGC asserts that the proximity of the new and planned Leesburg natural gas facilities to those operated by Peoples does not create a dispute; that Peoples did not allege that it has construction notices that conflict with those of Leesburg; that Peoples failed to allege facts to support a finding that there is a race of competing facilities; and that Peoples did not allege that it has facilities within the locations identified by the construction notices.

SSGC suggests that the mere fact that the new Peoples' natural gas distribution facilities within the Village of Fenney are located near the separately noticed Leesburg facilities within Southern Oaks is not evidence that a dispute exists. SSGC seeks to rely upon our Order No. PSC-98-0174-FOF-EU, issued January 28, 1998, in Docket No 930885-EU, *In re: Petition to resolve territorial dispute with Gulf Coast Electric Cooperative, Inc. by Gulf Power*, affirmed on appeal, *Gulf Coast Electric Cooperative v. Johnson*, 727 So. 2d 259 (1999), where we held that territorial disputes must be resolved on a case-by-case basis. SSGC argues that unlike the situation in *Gulf Coast-Gulf Power*, Peoples has not provided evidence or allegations of its legal right to serve the area, that the mere physical proximity of one utility's infrastructure to another does not make for duplicative facilities, and that Peoples failed to allege uneconomic duplication of facilities.

SSGC also relies upon *Gulf Coast-Gulf Power* to support its assertion that the Petition should be dismissed for ripeness citing the two-prong test for ripeness in *Nat'l Park Hospitality Ass'n v. DOI*, 538 U.S. 803, 807, 123 S. Ct. 2026, 155 L.Ed.2d 1017 (2003). The first prong in determining whether administrative action is ripe for action involves an evaluation of the issue's fitness for judicial decision. By declaring that there is no dispute and that therefore the matter is not ripe for adjudication, SSGC challenges the premise that the Petition is based upon a prima facie dispute. SSGC asserts that the facts alleged within the Petition do not support a request for a sweeping determination for a service provider to serve all future portions of the Villages Community over many years. SSGC argues that this issue is not yet fit for a judicial decision and that this Commission's ability to adjudicate this matter would be enhanced by allowing more time for these events to unfold. SSGC states that the second part of the ripeness test would be the hardship that Peoples would suffer if this Commission "withholds a decision" (fails to act). SSGC asserts that Peoples will not suffer a hardship and that Peoples has not alleged any direct harm.

SSGC's final argument is that Peoples has not alleged that its service to the customers in the disputed area would be in the public interest. SSGC also suggests that the developer, with decades of experience, is in the best position to determine who the best service provider would be for the community within this service area.

The City of Leesburg: Leesburg claims that Peoples failed to plead sufficient facts for the matter to move forward. Leesburg summarizes its argument by stating that Peoples merely asserts the existence of a territorial dispute without pleading all disputed facts as required. Leesburg asserts that Peoples has not made sufficient factual allegations to warrant our involvement in determining which utility should serve the disputed area. Leesburg alleges that the facts supporting the alleged dispute are missing from the pleadings because they do not exist.

Leesburg also states that this Commission should be hesitant to inject itself into a business dispute. Leesburg suggests that where market forces are at work to determine the manner in which the expansion of facilities is going to take place, we are not required to step in and conduct centralized planning. Leesburg states that there is no need given the present situation for us to respond to the request to resolve the territorial dispute due to the fact that customer choice and market forces are already at work to select the utility to serve this area.

Peoples' Response to the Motions to Dismiss

Peoples disagrees with SSGC's assertion the Petition must comply with the general pleading requirements in Rule 28-106.201, F.A.C, which applies primarily to petitions requesting a hearing on a proposed agency action (PAA). However, Peoples does state that if this case were decided under Rule 28-106.201, F.A.C., then its petition meets the pleading requirements in accordance with Order No. PSC-06-0260-PCO-EI, issued March 28, 2006, in Docket No. 060038-EI, *In re Petition for Issuance of a Storm Recovery Financing Order*, where this Commission held that "A petitioner filing an original request for relief cannot reasonably be expected to identify all disputed issues of material fact that might arise."

According to Peoples, its Petition contains a statement of the ultimate facts that satisfy the specific pleading requirements within Rule 25-7.0472, F.A.C. (Territorial Disputes for Natural Gas Utilities); this rule provides that a territorial dispute may be initiated by a petition and that each utility that is a party to a territorial dispute shall provide a map and written description of the disputed area along with the conditions that caused the dispute. Peoples argues that SSGC's natural gas infrastructure is being installed immediately adjacent to infrastructure belonging to Peoples and that Leesburg is building a 6-inch main line to serve the area in question. The Petition also contains a written agreement between SSGC and Leesburg for natural gas service in the area adjacent to the community where Peoples already provides service. Peoples asserts that a common sense reading of its Petition, the attached agreements, building permits, and maps establish that Peoples is the utility who can best serve the adjacent community. Peoples asserts that it has met the burden of providing a sufficient statement of facts upon which we can evaluate the territorial dispute.

Peoples also takes exception to SSGC's and Leesburg's interpretation of our ruling in *Gulf Coast-Gulf Power* and points out that on appeal, the court held that we were not required as a matter of law to "establish territorial boundaries in order to resolve a territorial dispute that does not involve service to current or future identifiable customers." *Gulf Coast-Gulf Power*, 727 So. 2d at 264. Peoples distinguishes the scenario in *Gulf Coast-Gulf Power*, which involved disparate locations that had no customers, by pointing out that customers within the disputed service area were easily identifiable as the homeowners within those specific developments that the Villages is constructing immediately adjacent to its prior developments being served by Peoples.

Peoples argues that SSGC's and Leesburg's positions that the Villages has found a better financial arrangement with another gas company indicates that there is a bona fide territorial dispute. Peoples states that it is the conduct of SSGC and Leesburg that has created a territorial dispute and that we should allow Peoples' Petition to move forward.

Standard of Review for Motion to Dismiss

Unless otherwise provided by law, a Petition or request for hearing must include all items required by Rule 28-106.201, F.A.C., if the hearing involves disputed issues of material fact. A petition filed under Chapter 120, F.S., which is in substantial compliance with the applicable uniform rule requirements need not be dismissed. *See* 120.569(2)(c)-(d) F.S. Rule 25-7.0472, F.A.C., lists the considerations that we are required to evaluate when resolving territorial disputes for natural gas utilities.

The function of a motion to dismiss is to raise as a question of law the sufficiency of the facts alleged to state a cause of action. *Varnes v. Dawkins*, 624 So. 2d 349, 350 (Fla. 1st DCA 1993). The applicable standard for disposing of a motion to dismiss is whether, with all factual allegations in the petition taken to be true, the petition states a cause of action upon which relief may be granted. *Id.*

In making this determination, all reasonable inferences drawn from the petition must be made in favor of the petitioner. *Id.* Consideration of a motion to dismiss "may not properly go beyond the four corners of the complaint in testing the legal sufficiency of the allegations set forth therein." *Stubbs v. Plantation Gen. Hosp. Ltd. P'ship*, 988 So. 2d 683, 684 (Fla. 4th DCA 2008) (internal quotation omitted). All of the elements of a cause of action must be properly alleged in a pleading to seek affirmative relief. If the elements are not properly alleged, the pleading should be dismissed. *Kislak v. Kreedian*, 95 So. 2d 510 (Fla. 1957).

Analysis and Recommendation

Peoples' Petition states a cause of action upon which relief can be granted, and it meets the requirements of Rules 28-106.201 and 25-7.0472, F.A.C. The Petition sets forth that SSGC and Leesburg are installing gas infrastructure in a People's natural gas service area, the area in question is adjacent to Peoples' natural gas infrastructure, Peoples already has a non-exclusive franchise with the City of Wildwood to provide natural gas service to the area, and there is an agreement between Leesburg and SSGC for Leesburg to supply gas to the area.

The Petition and its attachments indicate that Leesburg is in the process of building a 6-inch main line which is 6.25 miles in length to the service area from its distribution line serving Coleman Prison, and that together with SSGC, the overall length of all proposed natural gas piping being constructed in the service area is approximately 29 miles.

When viewed within the “four corners of the complaint” exclusive of all affirmative defenses/responses, assuming all alleged facts are true, and in the light most favorable to Peoples, we find that the Petition states a cause of action which would invoke our jurisdiction and permit us to grant the relief requested. Specifically, in accordance with Rule 25-7.0472, F.A.C, the Petition contains sufficient allegations, such as customer preference and cost to serve, for us to consider the Petition to Resolve the Territorial Dispute.

Section 366.04(3)(b), F.S., grants jurisdiction to us to resolve, upon petition by a utility or by its own motion, any territorial dispute involving service areas between and among natural gas utilities. In the instant case, Peoples’ Petition establishes that a territorial dispute exists pursuant to Section 366.04(3)(b), F.S. The Petition contains adequate information in the form of an agreement, construction notices, ordinance, permits, and maps to indicate that an active dispute exists as to who will provide natural gas to the disputed service area. Our review of the maps attached to the Petition further illustrates that this is a fully formed territorial dispute over the contested service area.

During the oral argument, SSGC and Leesburg encouraged us to allow market forces to settle this matter and to allow the customers to select their own utility to serve this area. These arguments run counter to our statutory responsibility to resolve any territorial dispute upon petition and ignores Rule 25-7.0472(2)(c-e), F.A.C., which requires us, when resolving territorial disputes, to consider the cost of each utility to provide natural gas service to the disputed area presently and in the future. Among the many factors that we consider in a territorial dispute, customer preference is considered only if all other factors related to the costs are substantially equal.

Conclusion

For the reasons set forth above, we deny SSGC and Leesburg’s motions to dismiss Peoples’ Petition.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Motions to Dismiss Peoples Gas Company’s Petition filed by the City of Leesburg and South Sumter Gas Company are denied. It is further

ORDERED that the docket shall remain open to address Peoples’ Petition to resolve the territorial dispute.

By ORDER of the Florida Public Service Commission this 28th day of June, 2018.



CARLOTTA S. STAUFFER
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.

WLT

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 or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review 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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.