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-VIA ELECTRONIC FILING -

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No 20190142-EU – Joint Petition for Approval of Amendment to Territorial Agreement by Florida Power & Light Company and Okefenoke Rural Electric Membership Corporation (Staff’s First Data Request)

Dear Mr. Teitzman:

Enclosed please find the responses to Staff’s First Data Request, Nos. 1 through 10, which are submitted on behalf of the Joint Petitioners, FPL and OREMC.

Please contact me at (561) 691-2512 should you or your Staff have any questions or concerns regarding this filing.

Sincerely,

/s/Kenneth M. Rubin
Kenneth M. Rubin

Enclosures

cc: Sevini Guffey, FPSC Staff

E. Dylan Rivers, Esq.

QUESTION:

Page 3, paragraph 7 of the petition refers to an area known as the Crawford Diamond located in Nassau County. Please state the acreage of the Crawford Diamond.

RESPONSE:

The total acreage of Crawford Diamond is 1,814.65-acres, and consists of acreage contained in Tract A and Tract B (collectively, "Parcel 2") as described in Exhibit D of the Petition.

QUESTION:

Page 4, paragraph 8 of the petition seeks Commission approval to serve electricity to the property which is contiguous to the Crawford Diamond. Please state the acreage of this contiguous property.

RESPONSE:

The total acreage of the contiguous properties is approximately 335.86-acres, and consists of acreage contained in Parcel 1 (approximately 211.34-acres) and Parcel 3 (approximately 124.52-acres) as described in Exhibit D of the Petition.

QUESTION:

If this instant petition is approved by the Commission, FPL seeks to provide electric service to Crawford Diamond and adjacent area. Please state the estimated number and type of future electric customers FPL projects or anticipates serving in the subject areas.

RESPONSE:

Crawford Diamond is an approximately 1,814-acre property that is zoned as “industrial park.” At this point in time, no future customers have committed to siting any new facilities in Crawford Diamond, so it is not possible at this time to forecast the number and type of future electric customers who may be served in the subject areas.

Crawford Diamond is located adjacent to class 1 railroad frontage, road infrastructure, and other features that could serve a large variety of potential commercial and industrial uses ranging from office space to heavy manufacturing. FPL, working through its Economic Development team and in coordination with local and state economic development organizations, is promoting and marketing this location to commercial and industrial customers who may be considering Florida for the construction of new facilities.

QUESTION:

Page 7, paragraph 14(a) of the petition states that FPL will construct the facilities fully described in the Memorandum of Understanding (MOU) and will transfer title of those facilities to OREMC. What is the reason for this type of arrangement? Will this result in OREMC owning facilities in FPL's service territory? Please discuss.

RESPONSE:

Amendment and clarification of the territorial agreement will provide certainty to future electric customers, FPL, OREMC, and the Commission regarding the provision of electric service within the area that is the subject of the pending Petition. As indicated in the response to Staff's Data Request No. 3, FPL is working in coordination with local and state economic development organizations to promote and market this location to commercial and industrial customers. Through the proposed agreement, all involved parties will avoid future confusion, uneconomic duplication of facilities, and potential litigation that would arise from the territorial boundary discrepancy described in this Petition. FPL is prepared to construct facilities to provide service to future customers who choose to locate in Crawford Diamond, while OREMC will benefit from the construction and acquisition of the referenced substation which is close to an existing OREMC feeder. As a result, FPL and OREMC determined, subject to Commission approval, that this arrangement represents a mutually agreeable solution to the boundary discrepancy, provides benefits to both FPL and OREMC, creates certainty for future customers, and eliminates the need for the Commission to resolve a boundary dispute at some point in the future.

In the event the Commission approves the joint request of FPL and OREMC, OREMC will own facilities near the line of demarcation between FPL's service territory and OREMC's service territory, but technically within FPL's service territory.

QUESTION:

Page 8, paragraph 15 of the petition states that this would be a good opportunity for deliberate planning, development and construction of electric facilities for future customers. What is the estimated cost for FPL for the activities stated above?

RESPONSE:

The joint petitioners' assertion at page 8, paragraph 15, that approval of the Joint Petition will allow for the deliberate planning, development and construction of electric facilities primarily relates to the fact that there will be certainty regarding which of the joint petitioners will have the right and obligation to serve new customers who may require electric service in the area where there is currently uncertainty. In the event customers located within the Crawford Diamond and the identified contiguous areas require electric service, FPL will construct and operate the necessary facilities. In the event future customers are located to the west of the proposed new territorial boundary, OREMC will be better equipped to serve those customers through the operation of the new substation. In short, this agreement will avoid the unnecessary duplication of facilities, and any potential disputes regarding the electric utility with the right and obligation to serve customers within the specified areas.

At this time, the number, location and type of future customers are unknown. As a result, FPL is not yet in a position to develop cost estimates associated with the planning, development and construction of electric facilities for future customers.

QUESTION:

How would the joint petitioners recover the said costs? What would be the estimated bill impacts for the joint petitioners' existing customers? When and how would petitioners' customers be informed of monthly bill impact, if any?

RESPONSE:

As stated in the response to Staff's First Data Request No. 5, FPL has not developed cost estimates associated with planning, development and construction of electric facilities for future customers. Therefore, FPL is not currently seeking recovery of any costs associated with this agreement. Similarly, OREMC is not currently seeking recovery of costs, if any, associated with this agreement. However, if costs are incurred in the future and FPL decides to seek recovery, FPL will make an appropriate request to the Florida Public Service Commission and would notify customers of potential bill impacts in accordance with Commission rules.

QUESTION:

Exhibit B to the petition titled, Clarification and Amendment to Territorial Agreement, line 1 does not include the date. Please confirm if this Clarification and Amendment has been entered into by FPL and OREMC and if so when. Please provide an update to page 1 of Clarification and Amendment.

RESPONSE:

Attached please find a copy of the first page of the Clarification and Amendment to Territorial Agreement dated July 13, 2019.

**CLARIFICATION AND AMENDMENT TO TERRITORIAL AGREEMENT BETWEEN
FLORIDA POWER AND LIGHT COMPANY
AND
OKEFENOKE RURAL ELECTRIC MEMBERSHIP CORPORATION f/k/a
OKEFENOKE RURAL ELECTRIC MEMBERSHIP COOPERATIVE**

This Clarification and Amendment to the Territorial Agreement, dated as of July 13, 2019, ("2019 Amendment") is entered into by Florida Power and Light Company ("FPL") and Okefenoke Rural Electric Membership Corporation f/k/a/ Okefenoke Rural Electric Membership Cooperative ("OREMC"). FPL is a corporation with headquarters at 700 Universe Boulevard, Juno Beach, Florida 33408; an investor-owned utility operating under the jurisdiction of the Florida Public Service Commission ("Commission") pursuant to the provisions of Chapter 366, Florida Statutes; and a wholly-owned subsidiary of NextEra Energy, Inc., a registered holding company under the Federal Public Utility Holding Company Act and related regulation. OREMC is an electric corporation organized and existing under the laws of the State of Georgia and registered to transact business in the State of Florida pursuant to Section 425.27 of the Statutes of Florida. FPL and OREMC are electric utilities as defined by Section 366.02(2), Florida Statutes, and are herein collectively referred to as the "Parties".

WITNESSETH

WHEREAS, the Parties have an existing Territorial Agreement relating to their respective retail service areas in Baker and Nassau Counties, Florida, which was approved by the Commission by Order No. PSC-95-0668-FOF-EU on May 31, 1995 in Docket No. 920420-EU, (such agreement referred to as the "Territorial Agreement"); and,

WHEREAS, the Parties now desire to clarify and amend the territorial boundaries in the existing Territorial Agreement as it relates to a specified area in Nassau County commonly known as the Crawford Diamond and specified property contiguous to the Crawford Diamond;

QUESTION:

Exhibits C and D to the petition make reference to "Nassau County Solar Site Energy Site."

- a. Are there any current plans for the Crawford Diamond and adjacent area, being transferred to FPL to be a solar facility? Please describe this project and its impact on this agreement.
- b. Does FPL have any vested interest in the solar site? If so, please provide details of FPL's interest, including any financial commitments as of today.
- c. Will this transfer of service territory provide any additional opportunity to serve customers outside of the solar site? Please explain.

RESPONSE:

- a. FPL has conducted preliminary engineering and permitting on a portion of the fee-owned property within the Crawford Diamond (if constructed, the solar facility would be developed on approximately 928-acres of the approximately 1,814-acre Crawford Diamond site) to facilitate future development of a 74.5 MW solar energy center, specifically the Nassau Solar Energy Center. This solar energy center, if constructed, would be owned and operated by FPL. This potential future FPL solar facility is a completely separate and distinct undertaking, and has no bearing on this agreement.
- b. As described above, the Nassau Solar Energy Center, if constructed, would be owned and operated by FPL, and FPL personnel have been engaged in the development of this proposed solar energy center. To date, financial commitments total approximately \$1.3 million and are limited to engineering, site evaluation, survey, and permit fees incurred during the development process. However, the commitments on the solar site are unrelated to the Petition currently before the Commission.
- c. As discussed in the response to Staff's First Data Request No. 3, the Crawford Diamond property, but not the contiguous parcels, is currently designated as an industrially-zoned business park. If the solar energy center is constructed, approximately 886.75-acres of the southern portion of Crawford Diamond would remain available for other potential future users. The "Additional Contiguous Land North" and "Additional Contiguous Land South" parcels described in Exhibit D comprise approximately 335.86-acres. Taken together, this represents a total of approximately 1,222.61-acres. If any future customers choose to locate, construct, and operate facilities within this area, FPL would assume the sole obligation to serve those customers. Please note that FPL already has an obligation to serve the parts of Crawford Diamond property which are not part of the mapping discrepancy outlined in the Petition.

QUESTION:

Exhibit E to the petition, Memorandum of Understanding, first paragraph on page 1 alludes to OREMC as "a statutory municipal utility organized under the state of Florida." Page 2, paragraph 3 of the petition states that OREMC is an electric cooperation organized and existing under the laws of the State of Georgia and registered to transact business in the State of Florida pursuant to Section 425.27, Florida Statutes. Please clarify the discrepancy.

RESPONSE:

Page 2, paragraph 3 of the Joint Petition is the accurate statement of the corporate status of OREMC. OREMC is a nonprofit corporation organized and existing under the laws of the State of Georgia and registered to transact business in the State of Florida pursuant to Section 425.27, Florida Statutes.

The statement in the Memorandum of Understanding ("MOU") alluding to OREMC as "a statutory municipal utility organized under the laws of the State of Florida" was inserted in the MOU in error. FPL and OREMC agree that the MOU shall have the same force and effect notwithstanding this error.

QUESTION:

Exhibit B to the Memorandum of Understanding lists multiple infrastructure development projects to be completed in two phases. What are the start and end dates to complete the projects listed and the estimated cost of each project?

RESPONSE:

As provided in Exhibit E of the Memorandum of Understanding (MOU), start dates to the projects are contingent on receiving FPSC approval of the joint petition; the FPSC issuing an Order that is agreeable to both Parties to the MOU (i.e., FPL and OREMC); and the time has expired for any appeal of said FPSC Order (the "FPSC Final Order"). As a result, estimated start and end dates have not been developed at this time. Also, per the MOU, the definitive design and engineering will not commence until the FPSC Final Order is issued, thus the final estimated cost of each project will not be available until the design and engineering are complete. FPL's preliminary estimate for all projects is approximately \$6.8 - \$7.6 million.