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E. DIXIE BEGGS  
1908 - 2001

BERT H. LANE  
1917 - 1981

November 22, 2022

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

**Re:** Docket No. 20220158-GU Joint petition for approval of territorial agreement in Santa Rosa County, by the City of Gulf Breeze and the Okaloosa Gas District

Dear Mr. Teitzman:

Attached for filing in the above-referenced docket is the joint response of the City of Gulf Breeze and the Okaloosa Gas District to Commission Staff's First Data Request (Nos. 1-6).

Sincerely,

*/s/ Steven R. Griffin*

Steven R. Griffin  
Counsel for City of Gulf Breeze

- 1) Paragraph 1 of the joint petition states that the City provides retail natural gas service to approximately 4,780 customers in Santa Rosa County. Please state the number of retail customers served by the City in Escambia County, which is also within the City's service territory.

Response:

At present, the City serves 391 natural gas accounts in Escambia County, all of which are located on Pensacola Beach.

- 2) Paragraph 5 of the petition states that the District provides retail natural gas service to approximately 4,798 customers in Santa Rosa County. Please state the total number of customers served by the District in its entire service area.

Response:

As of October 31, 2022, the District serves 50,994 customers throughout its entire service area.

- 3) Please state and discuss if the City and the District currently have an effective joint territorial agreement. If the response is in the negative, please discuss how the two parties currently operate and coordinate the specific service areas, to the best of your knowledge.

Response:

The Parties do not currently have a joint territorial agreement in effect. Historically, the service areas of the Parties have been geographically dispersed such that a territorial agreement was not necessary. Recently, as a consequence of natural growth patterns, portions of the Parties' service areas have begun to converge in southern Santa Rosa County near the "Dividing Line" (as defined in the proposed Territorial Agreement) such that implementing a territorial agreement in southern Santa Rosa County has become beneficial. To date, the Parties have managed gas service and expansion within this area through informal coordination and discussions among staff. Adoption of the proposed Territorial Agreement will provide a formalized mechanism to manage service requests and expansion in a way that provides certainty to the Parties, avoids future uneconomic duplication, and serves the public interest. Given the locations of the Parties' other service areas, it is not anticipated that additional territorial agreements will be necessary.

- 4) Section 5 of the proposed territorial agreement states that the agreement will become effective on the date the Commission order becomes final and effective and will continue to be effective until termination or modification. Please confirm that there is no specified termination date and/or renewal term for this proposed agreement.

Response:

The Parties confirm that there is no specified termination date and/or renewal term for the proposed Territorial Agreement. The agreement remains effective until terminated or modified by the Commission (upon petition of a Party or by the Commission unilaterally), by operation of law, or by cessation of Commission jurisdiction over natural gas territorial agreements.

- 5) Paragraph 9 of the petition states that written notification was provided to the customer subject to a transfer on August 19, 2022. Please provide a copy of the referenced customer notification.

Response:

The referenced customer notification and delivery confirmation is attached as Schedule "1."

- 6) Please discuss the reason for the legislature to modify the service boundary between the City and the District to the best of your knowledge.

Response:

As noted in paragraph 5 of the Petition, the Okaloosa Gas District is an Independent Special District of the State of Florida created in 1953 by special law, also known as the District's "Charter." The Florida Legislature periodically amends elements of the District's Charter, including the territorial limits and area of service of the District. In 2021, the legislature was again considering amendments to the District Charter, including expansion of District's service areas within Santa Rosa County. After discussions among the Parties and members of the local legislative delegation, the area referenced in the Petition as the Disputed Area was excluded from the service area determination in recognition of the fact that the City and the District both provided service in the Disputed Area and claimed certain rights with respect to the same. Because of these overlapping claims, resolution of service rights in the Disputed Area was reserved for determination by the Commission.

The City of Gulf Breeze and the Okaloosa Gas District, through their undersigned counsel, hereby submit the foregoing responses as their joint response to Commission Staff's First Data Request.

Respectfully submitted this 22<sup>nd</sup> day of November, 2022.

**For the City of Gulf Breeze**

/s/ Steven R. Griffin  
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***Attorneys for the City of Gulf Breeze***

**For the Okaloosa Gas District**

/s/ Kenneth G. Oertel  
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***Attorneys for the Okaloosa Gas District***

## **SCHEDULE "1"**



Tagline here, if one is needed or desired

Public Works Department  
of Gulf Breeze  
City 1070 Shoreline Drive  
Gulf Breeze, Florida 32561  
850.934.5108

August 17, 2022

**VIA US MAIL CERTIFIED**

Ms. Cheryl White  
7095 Webster Street  
Navarre, Florida 32566

Dear Ms. White:

We are writing to inform you of an agreement that has been reached between the City of Gulf Breeze and the Okaloosa Gas District governing the provision of retail natural gas service in portions of southern Santa Rosa County, Florida. Subject to approval by the Florida Public Service Commission, this agreement will result in the Okaloosa Gas District assuming responsibility for the provision of natural gas service to your residence located at 7095 Webster Street, Navarre, FL 32566 (City Account No. 52265-023534). For more information regarding the Okaloosa Gas District please visit their website at <https://www.okaloosagas.com>. Following transfer of service, which we expect will occur in late 2022 or early 2023, you will become a customer of the Okaloosa Gas District and will pay for natural gas service at the District's rates. A comparison of the City's rates and the District's rates as of today's date are provided here:

	City of Gulf Breeze	Okaloosa Gas
Service Activation Fee	\$35.00	\$55.00
Deposit	\$50.00	\$35.00
Monthly Fee	\$10.00	\$15.00
Per Unit Cost (Therm)*	\$1.582	\$1.582

\*per unit cost estimated based on customers typical usage

The service transfer will only require that you establish an account with Okaloosa Gas when contacted by them. The transfer is not expected to impact the continuity or reliability of your gas services. Additionally, the District has indicated that it will waive the \$55 service activation fee. When the new account is established, the City will automatically close your existing account, credit the \$50 deposit against any outstanding amounts due, and refund the remainder. As always, we appreciate your patronage. Please do not hesitate to contact me directly at [tlambert@gulfbreezefl.gov](mailto:tlambert@gulfbreezefl.gov) or 850.934.4094 with any questions or concerns that you may have.

Sincerely,

Thomas E. Lambert  
Public Works Director



*... will preserve and enhance its hometown character and natural environment to foster a high quality of family life.*

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ms. Cheryl White  
7095 Webster Street  
Navarre, FL 32566



9590 9402 3283 7196 3358 31

2. Article Number (Transfer from service label)

7017 0530 0001 1005 3601

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

x Cheryl White

- Agent  
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

- D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type

- Adult Signature  
 Adult Signature Restricted Delivery  
 Certified Mail®  
 Certified Mail Restricted Delivery  
 Collect on Delivery  
 Collect on Delivery Restricted Delivery  
 Insured Mail  
 Registered Mail™  
 Registered Mail Restricted Delivery  
 Return Receipt for Merchandise  
 Signature Confirmation™  
 Signature Confirmation Restricted Delivery
- Priority Mail Express®  
 Registered Mail™  
 Registered Mail Restricted Delivery  
 Return Receipt for Merchandise  
 Signature Confirmation™  
 Signature Confirmation Restricted Delivery

Registered Mail Restricted Delivery  
or \$500)

USPS TRACKING #



PENSACOLA FL 325



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

19 AUG 2022 PM 1 L

9590 9402 3283 7196 3358 31

**United States  
Postal Service**

• Sender: Please print your name, address, and ZIP+4® in this box•

**City of Gulf Breeze  
1070 Shoreline Drive  
P.O. Box 640  
Gulf Breeze, FL 32562-0640**  
*Attn. Thomas Lambert*

2-064040

