

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for approval of territorial agreement in Marion County, by City of Ocala, Florida d/b/a Ocala Electric Utility and Sumter Electric Cooperative, Inc.

DOCKET NO. 20240033-EU
ORDER NO. PSC-2024-0219-PAA-EU
ISSUED: June 27, 2024

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING JOINT PETITION FOR APPROVAL OF TERRITORIAL
AGREEMENT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

On February 15, 2024, the City of Ocala, Florida d/b/a Ocala Electric Utility (Ocala) and the Sumter Electric Cooperative, Inc. (SECO), collectively the joint petitioners, filed a petition seeking our approval of a Territorial Agreement in Marion County, Florida (2024 Territorial Agreement). The 2024 Territorial Agreement proposes territorial boundary line changes and also proposes transferring 52 customers and facilities from SECO to Ocala and 17 customers and facilities from Ocala to SECO. In its petition, the joint petitioners provided sample customer notifications dated January 10, 2024, which were sent to each of the customers who are subject to being transferred. The letters were issued to comply with Rule 25-6.0440(1)(d), F.A.C. The proposed Agreement, maps depicting the new territorial boundaries, and legal descriptions are attached hereto as Attachment A.

Since 1987, Ocala and SECO have entered into a series of territorial agreements, the most recent of which was executed by the parties in 2003 (the 2003 Agreement). We approved that agreement by Order No. PSC-03-0477-PAA-EU dated April 10, 2003, and Order No. PSC-2003-0567-CO-EU dated May 2, 2003. Early in 2017, the joint petitioners began to negotiate a new

territorial agreement to replace the 2003 Agreement, which expired in May of 2018.¹ Despite it expiring, the parties have continued to abide by the 2003 Agreement since beginning their negotiations towards the new Territorial Agreement that is the subject of this Order.

Both Ocala and SECO have inadvertently connected customers that are located in the other utility's territory. As discussed herein, the negotiated 2024 Territorial Agreement provides that some of the customers will be transferred while others will remain with the current utility and not be transferred. The utilities contend that their respective Geographic Information System (GIS) mapping systems are now enhanced to clearly identify if requested service is located within or outside either utility's service territory to prevent future inadvertent connections.

During the review process, our staff issued two data requests to the joint petitioners, for which responses were received on March 20, 2024 and April 30, 2024. Our staff also had an informal telephonic meeting with the joint petitioners on April 3, 2024.

The proposed 2024 Territorial Agreement, as approved herein, establishes new territorial boundaries reflecting the assets and customer transfers between the joint petitioners. We have jurisdiction over this matter pursuant to Section 366.04, Florida Statutes (F.S.).

Decision

Pursuant to Section 366.04(2)(d), F.S., and Rule 25-6.0440(2), F.A.C., we have jurisdiction to approve territorial agreements between and among rural electric cooperatives, municipal electric utilities, and other electric utilities. Unless we determine that the agreement will cause a detriment to the public interest, the agreement shall be approved.²

A. Compliance with Rule 25-6.0440(2), F.A.C.

Rule 25-6.0440(2), F.A.C., sets forth standards we may consider when evaluating whether to approve territorial agreements for electric utilities, as follows:

- (a) The reasonableness of the purchase price of any facilities being transferred;
- (b) The reasonable likelihood that the agreement, in and of itself, will not cause a decrease in the reliability of electrical service to the existing or future ratepayers of any utility party to the agreement;
- (c) The reasonable likelihood that the agreement will eliminate existing or potential uneconomic duplication of facilities; and
- (d) Any other factor the Commission finds relevant in reaching a determination that the territorial agreement is in the public interest.

¹ The joint petitioners assert that although the 2003 Agreement expired, the parties continue to meet their respective obligations set forth in that agreement. See Document No. 01238-2024, joint petitioners' response to our staff's first data request, No. 1.a.

² *Utilities Commission of the City of New Smyrna Beach v. Florida Public Service Commission*, 469 So. 2d 731 (Fla. 1985).

B. Proposed 2024 Territorial Agreement

Ocala and SECO executed the 2024 Territorial Agreement on December 18, 2023, to replace the 2003 Agreement which expired in May 2018. Upon our approval, the 2024 Territorial Agreement will supersede the 2003 Agreement and all other prior agreements between the joint petitioners in Marion County. Through the 2024 Territorial Agreement, the joint petitioners seek to (1) transfer certain customers to address errors each utility made in connecting and serving customers that were located in the geographic area of the other utility³ and (2) make minor revisions to existing boundary lines, or “re-draws,” in order to gain further operational efficiencies and customer improvements in their respective retail service territories in Marion County. These combined objectives are expected to aid the utilities in eliminating circumstances that give rise to the uneconomic duplication of service facilities and hazardous situations.

Pursuant to Section 6.1 of the 2024 Territorial Agreement, it shall remain in effect for 20 years from the date of our approval of the agreement in its entirety and it is no longer subject to judicial review. Upon the expiration of the initial 20-year term, pursuant to Section 6.1, the agreement shall remain in effect unless either party provides written notice of termination at least 12 months prior to the termination of the Agreement in accordance with the Section 8.3.

C. Proposed Boundary Modifications

The joint petitioners assert that the proposed boundary modifications are minor, and do not involve the transfer of existing customers.⁴ These minor modifications are the result of negotiations between the parties, and propose changes to their existing boundary lines only when and where the parties believe it was equitable to do so, and only in those limited areas where: (1) where one utility had facilities and the other did not and had no intention of building such facilities, and it was more efficient for the current utility to continue serving those accounts rather than duplicating facilities and transferring the accounts back to the other utility; or (2) when a modification was needed to keep the territorial boundary line from “splitting” a development parcel.⁵ The joint petitioners contend the proposed modifications will accomplish these objectives, but acknowledge that even with its proposed territory modifications and proposed customer transfers, each utility will continue to serve a limited number of customers currently in the territory of the other utility.

In a data request response, the joint petitioners acknowledged that a small number of inadvertently-served customers are not being proposed for transfer. A total of 51 such customers are currently served by SECO, even though they are located in Ocala’s service territory. A total of 34 such customers are currently served by Ocala, even though they are located in SECO’s service territory.⁶ The joint petitioners contend that these inadvertently-served customers are in

³ Document No. 02582-2024, joint petitioners’ response to our staff’s second data request, No. 1.

⁴ Document No. 02582-2024, joint petitioners’ response to our staff’s second data request, No. 1.

⁵ *Id.*

⁶ Document No. 02582-2024, joint petitioners’ response to our staff’s second data request, No. 1. The addresses for these inadvertently served customers are provided in Attachments 1 and 2.

areas where the parties determined it is efficient for the current utility to continue serving those accounts, rather than duplicating facilities and transferring the accounts back to the other utility.⁷

D. Proposed Customer Transfers

A total of 52 active customer accounts are proposed to be transferred from SECO to Ocala and 17 active customer accounts and facilities are proposed to be transferred from Ocala to SECO.⁸ This subset of customers were also inadvertently connected by the other utility; however, unlike the customers discussed above where the current utility will continue serving those accounts, the parties negotiated the proposed transfer arrangements for these customers, as discussed below.

The proposed customer transfers under the 2024 Territorial Agreement are the result of negotiations between the parties, with the intention to “clean up encroachments” where one utility has inadvertently served customers in the other utility’s service area where the other utility has facilities.⁹ The parties attempted to avert customer transfers entirely, but negotiations were stymied by lack of agreement on an equitable method to calculate the future load (growth) value of other undeveloped parcels that could have been swapped to make the other utility whole for relinquishing parts of its previously established service territory.¹⁰ The parties fell back to negotiating the proposed transfers while maintaining the original boundary as a means to complete the agreement, and also avoid the confusion associated with revisions to their existing territorial boundary that was previously approved by us. Instead, the joint petitioners agreed on the proposed customer transfer arrangements that maintains the current territorial boundary line in areas where the parties were unable to agree on another arrangement.

E. SECO to Ocala Customer Transfers

The 52 active SECO customer accounts to be transferred to Ocala are primarily residential and small business class customers, connected at various times, the oldest of which was connected over 30 years ago.¹¹ At the time of connection, SECO states it relied upon its then-current mapping resources, which indicated that each service address was within its franchised service territory. Enhancements to its mapping resources, however, indicated that the service addresses identified in Exhibit C of the proposed 2024 Territorial Agreement were, in fact, located in Ocala’s territory, except for the metered services for City of Ocala-owned facilities (e.g., traffic control equipment and sanitary lift stations).

⁷ Document No. 02582-2024, joint petitioners’ response to staff’s first data request, No. 1.

⁸ The service location addresses for all of the customer transfers are identified in Exhibits C and D to the joint petitioners’ petition, dated February 15, 2024 (*See* Document No. 00725-2024).

⁹ *Id.*

¹⁰ Document No. 02582-2024, joint petitioners’ response to our staff’s second data request, No 1.d

¹¹ Document No. 01238-2024, joint petitioners’ response to our staff’s first data request, No. 1.

F. Ocala to SECO Customer Transfers

Similarly, the 17 active Ocala customer accounts to be transferred to SECO were also connected at various times, some dating back to 20 years.¹² However, all of the customer locations except one shown in Exhibit D of the proposed 2024 Territorial Agreement are receiving service as small business class customers. At the time of connection, Ocala also relied on mapping resources that have since been enhanced. The joint petitioners state that both utilities now use more accurate GIS that are programmed to automatically alert utility employees when requests for service are located outside of either entity's service territory.¹³

G. Implementation and Customer Notifications

The joint petitioners state that there will be no customer transfers until we approve the joint petition. Although specific details have not been developed yet, the joint petitioners state that upon our approval of the 2024 Territorial Agreement, the customer transfers will be coordinated to take place over a 36-month period. The joint petitioners state that multiple departments from each utility will be involved in developing and coordinating this work plan, which will involve general engineering studies, developing customer communications plans, conduct field reviews, develop and prioritize the necessary work orders to effectuate the customer transfers, while also conducting individual work requests designed for each customer being transferred.¹⁴

Pursuant to Rule 25-6.0440(1)(d), F.A.C., SECO notified its designated 52 customers of the proposed transfer to Ocala, and Ocala informed its designated 17 customers of their proposed transfer to SECO. The customer notification letters dated January 10, 2024, provided information on the general service rate changes that would be applicable under this proposal. As of January 2024, the residential service rate for 1,000 Kilowatt Hours (KWH) was \$116.60 for SECO and \$162.64 for Ocala, a difference of \$46.04 per month (about 36%). As of January 2024, the commercial general service rate (GS) for 1,000 Kilowatt KWH was \$122.50 for SECO and \$166.77 for Ocala, a difference of \$44.27 per month (about 39%). As of January 2024, the commercial GS3 rate for 1,000 KWH was \$133.00 for SECO and not applicable to Ocala.

SECO has not received any written correspondence from customers related to the proposed transfers. However SECO has received two phone calls from proposed transferred customers who expressed their displeasure at having to transfer, and preference to remain SECO customers. Ocala has not received any written or verbal (phone call) comments from any of the customers subject to transfer.¹⁵

At least 30 days prior to the actual transfer, SECO and Ocala customers will receive a second notification of the transfer, the timing of the transfer, and the rate comparison of each utility. Moreover prior to construction, the customers being transferred will be again notified

¹² Document No. 01238-2024, joint petitioners' response to our staff's first data request, No. 1.

¹³ Document No. 01238-2024, joint petitioners' response to our staff's first data request, No. 6.

¹⁴ Document No. 01238-2024, joint petitioners' response to our staff's first data request, No. 7.

¹⁵ Document No. 01238-2024, joint petitioners' response to our staff's first data request, No. 6.

(e.g. by phone calls, door hangers) that their electric service is being transferred to the other utility.¹⁶ The joint petitioners assert that no additional charges will be imposed on those customers that will be transferred.¹⁷

The joint petitioners have not determined a purchase price for facility transfers, or have developed construction cost estimates or detailed engineering drawings yet. No final decisions have been made regarding transferring or purchasing facilities. Upon the approval of the proposed 2024 Territorial Agreement, the parties will address which facilities are to be transferred or purchased and undertake a valuation of facilities subject to transfer. SECO and Ocala have agreed to use a commonly-accepted engineering cost estimation methodology to determine the value of facilities subject to transfer.¹⁸

The joint petitioners represent that the proposed 2024 Territorial Agreement is the result of a balanced negotiation. They assert that a number of factors were analyzed, and believe the resulting 2024 Territorial Agreement corrects certain errors made by both entities, provides clarity on the minor boundary changes that eliminate split parcels, and would aid them in serving their own respective customers in a more efficient manner.

Regarding Rule 25-6.0440(2), F.A.C., we note that no purchase price was presented for our review. Furthermore, we note that, as a proxy, the joint petitioners plan to develop specific plans and technical drawings for implementing their agreement at a later time, once our approval is obtained. The parties assert that when specific technical plans are developed, they will develop a valuation for the facilities subject to transfer based upon a commonly-accepted engineering cost estimation methodology.¹⁹ We find that this approach is reasonable because it is a commonly-accepted methodology, and one that we have used in the past.²⁰

Pursuant to Rule 25-6.0440(2)(b), F.A.C., the joint petitioners confirmed in data request responses that the availability and reliability of service to existing or future customers will not be decreased for either petitioner. Additionally, both utilities confirmed that the 2024 Territorial Agreement would help them gain further operational efficiencies and customer service improvements in their respective retail service areas.

¹⁶ Document No. 01238-2024, joint petitioners' response to our staff's first data request, No. 3.

¹⁷ Document No. 02582-2024, joint petitioners' response to our staff's second data request, Nos. 5 and 6.

¹⁸ Document No. 01238-2024, joint petitioners' response to our staff's first data request, No. 4.

¹⁹ Document No. 01238-2024, joint petitioners' response to our staff's first data request, No. 4.

²⁰ See Order No PSC-2019-0048-PAA-EU, issued January 28, 2019, and consummated by Order No PSC-2019-0066-CO-EU, issued February 22, 2019. Both orders were issued in Docket No. 20180159-EU, *In re: Joint petition for approval of amendment to territorial agreement in Hardee, Highlands, Polk, and Osceola Counties, by Peace River Electric Cooperative and Duke Energy Florida, LLC*; Order No PSC-2020-0252-PAA-EU, issued July 23, 2020, and consummated by Order No PSC-2020-0279-CO-EU, issued August 17, 2020. Both orders were issued in Docket No. 20200106-EU, *In re: Joint petition to approve territorial agreement in Sumter, Lake, Marion, Levy, and Citrus Counties, by Sumter Electric Cooperative, Inc. and Duke Energy Florida, LLC*; and Order No PSC-2021-0041-PAA-EU, issued January 25, 2021, and consummated by Order No PSC-2021-0085-CO-EU, issued February 19, 2021. Both orders were issued in Docket No. 20200217-EU, *In re: Joint petition for approval of territorial agreement in Jefferson, Madison, and Taylor Counties, by Tri-County Electric Cooperative and Duke Energy Florida, LLC*.

Under the proposed 2024 Territorial Agreement, the joint petitioners have made good faith efforts to minimize existing or potential uneconomic duplication of facilities, as referenced in Rule 25-6.0440(2)(c), F.A.C. Each joint petitioner provided maps indicating the approximate distance between customer locations and primary facilities.²¹ For the majority of all customers that are proposed to be transferred, the distance between customer locations and primary facilities is less than 1,000 feet.²² The joint petitioners explained that they intend to pursue the purchasing existing facilities (rather than constructing new facilities) when the following conditions are met: 1) it is economically feasible to do so (based on the depreciated value), 2) where the existing facilities can be disconnected from other utilities' remaining facilities without significant impact on other utilities' ability to serve other customers, 3) the existing facilities appear suitable for use for several more years, 4) in underground distribution locations, and 5), in locations where equipment and facilities are compatible between the two utilities (i.e., transformer voltages, insulator rating, etc.) Based on the stated preference to purchase facilities rather than build where possible, we find that these actions, in sum, reasonably address the matter of uneconomic duplication.

Rule 25-6.0440(2)(d), F.A.C., gives us the discretion to address any other relevant concerns that are case-specific. In this case, a disparity of rates (based on January 2024 information for 1,000 KWH of usage) exists that will result in certain customers paying more for service.²³ Pursuant to the 2024 Territorial Agreement, the 52 customers transferred from SECO to Ocala will be paying rates that are about 36 percent to 39 percent higher, compared to the comparable rates from SECO for residential and commercial class service. We find that SECO met its obligation of providing notification pursuant to Rule 25-6.0440(1)(d), F.A.C., and the joint petitioners commit to do so again when the specific transfer (within the 36 month window) is eminent. Although we are cognizant of the rate impact on those 52 customers, we have consistently adhered to the principle set forth in *Storey v. Mayo*, 217 So. 2d 304, 307-308 (Fla. 1968), and reaffirmed in *Lee County Electric Cooperative v. Marks*, 501 So. 2d 585 (Fla. 1987), that no person has a right to compel service from a particular utility simply because he believes it to be to his advantage. The Court went on to say in *Lee County* that “larger policies are at stake than one customer's self-interest, and those policies must be enforced and safeguarded by the Florida Public Service Commission.” *Lee County Electric Cooperative*, at 587.²⁴

The joint petitioners are optimistic that with modern mapping resources and advancements in GIS technology, instances of inadvertent connection can be greatly reduced or eliminated. We commend both parties for their efforts to correct certain errors made by both entities over a long period of time. On balance, we find the 2024 Territorial Agreement is a product of thoughtful negotiation and reasonable in its terms.

²¹ Document No. 02582-2024, joint petitioners' response to our staff's second data request, No. 4.

²² *Id.*

²³ *AmeriSteel Corp. v. Clark*, 691 So. 2d 473, 480 (Fla. 1997). (“[T]he Commission was fully apprised of AmeriSteel's corporate interest in obtaining lower electricity rates before deciding to approve the JEA–FPL agreement.”)

²⁴ See Order No. PSC-96-0755-FOF-EU, issued June 10, 1996, in Docket No. 19950307-EU, *In re: Petition to resolve a territorial dispute with Florida Power & Light Company in St. Johns County*, by Jacksonville Electric Authority.

H. Conclusion

For the aforementioned reasons, we approve the proposed 2024 Territorial Agreement between Ocala and SECO in Marion County, dated December 18, 2023. The proposed territorial agreement amends the respective boundary between these utilities to more clearly delineate the service territory for each utility and eliminate the need for each utility to continue serving certain customers located in the territory of the other utility. Moreover, approval of the 2024 Territorial Agreement will help both joint petitioners gain further operational efficiencies and customer service improvements in their respective retail service territories, and address circumstances giving rise to uneconomic duplication of service facilities and hazardous situations.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the proposed 2024 Territorial Agreement in Marion County, Florida between Ocala Electric Utility and the Sumter Electric Cooperative, Inc., dated December 18, 2023, is hereby approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 27th day of June, 2024.



ADAM J. TEITZMAN

Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

RPS

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 that is available under Section 120.57, 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 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.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 18, 2024.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

ATTACHMENT 1

2023 Territorial Agreement

Sumter Electric Cooperative, Inc. and
The City of Ocala

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Territorial Agreement

Section 0.1: Sumter Electric Cooperative, Inc. (“SECO”), and the City of Ocala (“OCALA”), (collectively, the “Parties” and individually, a “Party”) enter into this Territorial Agreement (the “Agreement”) on this 18th day of December, 2023.

WITNESSETH:

Section 0.2: WHEREAS, SECO, by virtue of Chapter 425, Florida Statutes, and the Charter issued to it thereunder, is authorized and empowered to furnish electricity and power to its members, private individuals and others, and pursuant to that authority presently furnishes electricity and power to member customers in the areas of Marion County, Florida and elsewhere; and

Section 0.3: WHEREAS, OCALA by virtue of the laws of Florida, is authorized and empowered to furnish electricity and power to persons, firms, and corporations in Marion County, Florida, and pursuant to that authority presently furnishes electricity and power to customers in areas of Marion County, Florida

Section 0.4: WHEREAS, SECO and OCALA were parties to a territorial agreement dated September 24, 2002 delineating their respective service territories in Marion County, which was approved by the Florida Public Service Commission (the “Commission”) in Order No. PSC-2003-0477-PAA-EU, issued April 10, 2003, in Docket No. 20030117-EU, and made effective May 2, 2003, by Consummating Order PSC-03-0567-CO-EU (“Prior Agreement”); and

Section 0.5: WHEREAS, the Prior Agreement expired by its own terms in May of 2018, and the Parties now desire to enter into a new territorial agreement in order to gain further operational efficiencies and customer improvements in their respective retail service territories in the aforesaid county, while continuing to eliminate circumstances giving rise to the uneconomic duplication of service facilities and hazardous situations; and

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Section 0.5: WHEREAS, the respective areas of service of the Parties are contiguous in many places, and the Parties seek to minimize costs to their respective rate payers by avoiding duplication of generation, transmission, and distribution facilities; and

Section 0.6: WHEREAS, the Commission has previously recognized that any such duplication of facilities results in needless and wasteful expenditures and may create hazardous conditions, both being detrimental to the public interest: and

Section 0.7: WHEREAS, the Parties desire to continue to avoid and eliminate the circumstances giving rise to potential duplication of facilities and hazardous conditions, and in furtherance of such desire, have established Territorial Boundary Lines to delineate their respective retail Territorial Areas, subject to the approval of the Commission; and

Section 0.8: WHEREAS, the Commission is empowered by Section 366.04(2)(d), Florida Statutes, to approve territorial agreements and resolve territorial disputes between electric cooperatives and other electric utilities under its jurisdiction, and has recognized the value of such territorial agreements, and held such agreements, when properly prepared are beneficial and in the public interest.

Section 0.9: NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, which shall be constructed as being interdependent, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.1: Recitals Incorporated. The foregoing recitals are true and correct, and are incorporated herein by reference.

Section 1.2: Territorial Boundary Line(s). As used herein, the term “Territorial Boundary Line(s)” shall mean the boundary line(s) and the service areas depicted on the maps attached hereto as Composite Exhibit A which delineate and differentiate the Parties’ respective Territorial Areas in Marion County. The portions of the county which are not subject to this Agreement are marked

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on the maps and/or written description as “Not Part Of This Agreement.” Additionally, as required by Rule 25-6.0440(1)(a), F.A.C., a written description of the territorial areas served is attached as Composite Exhibit B. If there are any discrepancies between Composite Exhibit A and Composite Exhibit B, then the territorial boundary maps in Composite Exhibit A shall prevail.

Section 1.2: SECO Territorial Areas. As used herein, the term “SECO Territorial Areas” shall mean the geographic areas in Marion County allocated to SECO by this agreement as its retail service territory and labeled as “SECO Territorial Area” or “SECO” on the maps contained in Composite Exhibit A.

Section 1.3: OCALA Territorial Areas. As used herein, the term “OCALA Territorial Areas” shall mean the geographic areas in Marion County allocated to OCALA by this Agreement as its retail service territory and labeled as “OCALA Territorial Area” or “OCALA” on the maps contained in Composite Exhibit A.

Section 1.4: Point of Use. As used herein, the term “Point of Use” shall mean the location within the Territorial Area of a Party where a customer’s end-use facilities consume electricity, which such Party will be entitled to provide retail electric service under this Agreement, irrespective of where the customer’s point of delivery or metering is located.

Section 1.5: New Customers. As used herein, the term “New Customers” shall mean all end use customers applying for retail electric service after the Effective Date of this Agreement at a Point of Use in the Territorial Area of either Party.

Section 1.6: Commission. As used herein, the term “Commission” shall mean the Florida Public Service Commission.

Section 1.7: Effective Date. As used herein, the term “Effective Date” shall mean the date on which the Commission’s final order granting approval of this Agreement in its entirety becomes no longer a subject to judicial review.

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Section 1.8: Temporary Service Customers. As used herein, the term “Temporary Service Customers” shall mean customers who are being temporarily served under Section 2.3, the Temporary Service provision of the Agreement.

ARTICLE II RETAIL ELECTRIC SERVICE

Section 2.1: Service Areas. Except as otherwise specifically provided herein, SECO will have the exclusive authority to furnish retail electric service within SECO’s Territorial Areas and OCALA will have the exclusive authority to furnish retail electric service in the OCALA’s Territorial Areas. The Territorial Boundary Line shall not be affected by any change, through annexation or otherwise, that may occur in the corporate limits of any municipality lying within SECO’s Territorial Areas or OCALA’s Territorial Areas, unless agreed to in writing by the Parties and approved by the Commission.

Section 2.2: Service to New Customers. Each Party agrees that it will not knowingly serve or attempt to serve any New Customer whose Point of Use is located within the Territorial Area of the other Party, except as specifically provided in this Section and Section 2.3 of this Agreement. If the Territorial Boundary Line traverses the property of a New Customer resulting in the New Customer’s property being served by two different utilities, then the Parties shall meet to discuss whether the New Customer could be efficiently served by one utility. The Parties agree that the Party in whose service area the preponderance of the New Customer’s energy usage is expected to occur should serve the New Customer provided that the relinquishment of load is equitable to the relinquishing Party. If the Parties agree, based on good engineering practices and equitable economic considerations, that the New Customer could be efficiently served by one Party, then the Parties shall jointly petition the Commission for approval of a modification of the Territorial Boundary Line that places the new residential development area in question within the Territorial Area of the designated Party.

Section 2.3: Temporary Service. The Parties recognize that in exceptional circumstances, economic constraints, good engineering practice, or other circumstances may indicate that a customer’s Point of Use either cannot or should not be immediately served by the Party in whose

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Territorial Area such Point of Use is located. Such service shall be referred to as “Temporary Service” which may occur in the following circumstances:

Section 2.3.1: Future New Customers. Upon written request by the Party (“Requesting Party”) in whose Territorial Area the New Customer’s Point of Use is located, the other Party (“Responding Party”) may, in its sole discretion, agree in writing to temporarily provide service to such New Customer until such time as the Requesting Party provides written notice of its intent to service the Point of Use. The Responding Party shall inform the customer of the temporary nature of such service.

Section 2.3.2: Inadvertent Service. After the Effective Date of this Agreement, if any situation is discovered during the term of this Agreement in which one Party is inadvertently providing retail electric service to a customer’s Point of Use located within the service area of the other Party, service to such customer will be transferred to such other Party as soon as practical. Until the transfer of service can be completed, the Party providing inadvertent service to the customer’s Point of Use will be deemed to be Temporary Service. When an inadvertent service is discovered, the Party discovering the inadvertent service shall notify the other Party in writing pursuant to Section 8.3; the Party providing the inadvertent service shall then provide documentation showing when the service began.

Section 2.3.3: Present Temporary Service Customers. All Temporary Service customers identified by the Parties as the Effective Date of this Agreement currently served by SECO and subject to transfer to OCALA are listed by service address and account number in Exhibit C hereto. The Temporary Service customers currently served by OCALA and subject to transfer to SECO pursuant to this Agreement are listed by service address and account number in Exhibit D hereto.

Section 2.4: Discontinuation of Temporary Service. Any Temporary Service customers shall be discontinued upon written notice from the Party in whose territory the customer is located of its intent to provide service, in which case the Parties shall coordinate to minimize any inconvenience to the customer. In conjunction with such discontinuance, the Party providing Temporary Service hereunder may be compensated for its facilities by the other Party in accordance with Section 3.3.2.

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Section 2.5: Referral of Service Request. In the event that a prospective New Customer requests or applies for service from either Party to be provided to a Point of Use located in the Territorial Area of the other Party, the Party receiving the request or application shall advise the prospective New Customer that such service is not permitted under this Agreement as approved by the Commission and shall refer the prospective New Customer to the other Party.

Section 2.6: Reallocation of Areas. In the event that circumstances arise during the term of this Agreement in which the Parties agree that, based on sound economic considerations and good engineering practices, an area located in the Territorial Area of one Party would be better served if reallocated to the service territory of the other Party, the Parties shall jointly petition the Commission for approval of a modification of the Territorial Boundary Line that places the area in question (the "Reallocated Area") within the Territorial Area of the Party and transfer of the customers located in the Reallocated Area to the other Party.

ARTICLE III TRANSFER OF CUSTOMERS

Section 3.1: In General. In order to achieve the operational efficiencies and the other benefits contemplated by this Agreement in a timely manner, all Temporary Service Customers shall be transferred to the Party in whose Territorial Area such customers are located at the earliest practical time, consistent with sound utility practices, including cost effectiveness and system design engineering, and reasonable customer notice. The status of all Temporary Service Customers shall be reported annually to the Commission pursuant to Section 3.5 below.

Section 3.2: Transfer Notice. In accordance with Rule 25-6.0440(1)(d), F.A.C., the affected Temporary Service customers subject to transfer upon the Effective Date of this Agreement will be sent written notification of this Agreement and the transfer provision described above. After the Effective Date of this Agreement, any Temporary Service customers to be transferred shall be provided similar notice as the Commission's rules require.

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Section 3.3: Compensation for Transferred Customers and Facilities.

Section 3.3.1: Going Concern Value. The Parties agree that no lost revenue or going concern value shall be paid for the transfer of customers pursuant to this Agreement.

Section 3.3.2: Compensation for Transferred Facilities. Upon the transfer of Temporary Service customers pursuant to Section 3.1 above, the receiving Party may elect to purchase the facilities of the transferring Party related exclusively to serving the Temporary Service customers based upon the replacement cost (new), less depreciation calculated on a 30 year straight line basis over the life of the asset (facility) as determined from the transferring Party's books and records, and the cost of the transferring Party for reintegration of its remaining system to the extent such reintegration costs are reasonably required by sound utility practices. The replacement cost shall be determined by applying a cost escalator such as the Handy Whitman Index or a common engineering cost estimation methodology to the original cost, as long as both Parties apply the same escalation method.

Section 3.3.3: Time of Payment. All payments from the receiving Party to the transferring Party determined in accordance with this section shall be made in cash within 60 days of the presentation of an invoice from the transferring Party.

Section 3.3.4: Transfer Instruments. For each transfer made under this Agreement, the transferring Party will make, execute, and deliver to the receiving Party a conveyance, deed or other instrument of transfer, as is appropriate, in order to convey all rights, titles and interests of the transferring Party in any facilities, right-of-way, easements, road permits, or other rights to the receiving Party.

Section 3.3.4.1: RUS Approval. Property transfer from SECO to OCALA may be subject to approval and release from security documents by the United States of American Department of Agriculture and Rural Utilities Service ("RUS") or other lenders. All assets are subject to USDA-RUS approval if the aggregate value of assets sold, leased, or transferred in any 12-month period are more than 10 percent of the borrower's (SECO's) net utility plant prior to the transaction for distribution borrowers.

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Section 3.3.5: Transfer Segment Closings. The Parties acknowledge that it may be more efficient to accomplish a particular transfer in segments or phases. The Parties shall mutually agree on a closing date for each transfer segment, allowing sufficient time for the Parties to identify the customers and facilities to be transferred; to determine the compensation for transferred facilities; and to prepare the appropriate closing statement, assignments, and other instruments to transfer and convey the transferring Party's interest in the electric distribution facilities to the receiving Party pursuant to Section 3.3.4 above. At the closing, the receiving Party shall pay the transferring Party the compensation due.

Section 3.4: Service Obligations. Except as otherwise provided herein, each Party retains the right and obligation to continue to provide retail electric service at existing points of delivery, which are in the retail service areas of the other Party, at the time this Agreement becomes effective. Existing points of delivery shall mean service drops and underground service laterals which are physically connected to the customer's property, whether energized or not. Each party may maintain, repair and replace its facilities used to service such existing points of delivery.

Section 3.5: Commission Reporting. The Parties shall annually in March jointly report in writing to the Commission the status and, as appropriate, progress in transferring Temporary Customers to the appropriate Party and any other relevant information. The Parties acknowledge that sound engineering, customer growth and development within the respective OCALA or SECO Territorial Areas, and other economic considerations may delay the transfer of some Temporary Service Customers.

ARTICLE IV OPERATION AND MAINTENANCE

Section 4.1: Facilities to Remain. Other than expressly provided therein, no generating plant, transmission line, substation, distribution line or related equipment shall be subject to transfer or removal hereunder; provided, however, that each Party shall operate and maintain its lines and facilities in a manner that minimized any interference with the operation of the other Party.

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Section 4.2: SECO Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of SECO to serve any SECO facility located in OCALA's Territorial Area which facility is used exclusively in connection with SECO's business as an electric utility; provided, however, that SECO shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of OCALA in OCALA Territorial Area.

Section 4.3: OCALA Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of OCALA to serve any OCALA facility located in SECO's Territorial Area which facility is used exclusively in connection with OCALA's business as an electric utility; provided, however, that OCALA shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of SECO in the SECO Territorial Area.

Section 4.4: Retail Service at Facility Sites. Where either Party serves any of its facilities located in the Territorial Area of the other Party pursuant to Sections 4.2 or 4.3 above, such Party may provide limited retail service on the site of the facility to prevent potential safety hazards or unsound operating conditions that would result from the construction and maintenance of lines and related facilities by the other Party to provide retail service at the site. As used in this section, limited retail service shall mean no more than three separate retail accounts with a combined load of 25kW or less at any such site.

ARTICLE V PREREQUISITE APPROVAL

Section 5.1: Commission Approval. The provisions of this Agreement and the Parties' performance hereunder are subject to the regulatory authority of the Commission, and the appropriate approval by that agency of this Agreement in its entirety shall be an absolute condition precedent to the validity, enforceability and applicability hereof. This Agreement shall have no effect whatsoever until such Commission approval has been obtained. Any proposed modification to this Agreement shall be submitted to the Commission for approval. In addition, the Parties agree

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to jointly petition the Commission to resolve any dispute concerning the provisions of this Agreement or the Parties' performance hereunder.

Section 5.2: Liability in the Event of Disapproval. In the event Commission approval pursuant to Section 5.1 is not obtained, neither Party will have any claim against the other arising under this Agreement.

Section 5.3: Supersedes Prior Agreements. Upon approval by the Commission, this Agreement shall be deemed to specifically supersede all other prior agreements between the Parties defining the boundaries of their respective Territorial Areas in Marion County.

ARTICLE VI DURATION

Section 6.1: Term. This Agreement shall continue and remain in effect for a period of twenty (20) years from the Effective Date. After expiration of the twenty (20) year term provided herein, this Agreement shall remain in effect thereafter unless either Party provided written notice of Termination at least 12 months prior to the termination of the Agreement as contemplated by Section 8.3.

ARTICLE VII CONSTRUCTION OF AGREEMENT

Section 7.1: Other Electric Utilities. Nothing in this Agreement is intended to define, establish or affect in any manner the rights of either Party hereto relative to any other electric utility not a party to this Agreement. The Parties understand that SECO or OCALA may, from time to time and subject to Commission approval, enter into territorial agreements with other electric utilities providing retail service in Marion County and that, in such event, nothing herein shall be construed to prevent SECO or OCALA from designating any portion of its Territorial Area under this Agreement as the retail service area of some other electric utility.

Section 7.2: Intent and Interpretation. It is hereby declared to be the purpose and intent of the Parties that this Agreement shall be interpreted and construed, among other things, to further the State's policy of : actively regulating and supervising the service territories of electric utilities;

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supervising the planning, development, and maintenance of a coordinated electric power grid throughout Florida; avoiding uneconomic duplication of generation, transmission and distribution facilities; and encouraging the installation and maintenance of facilities necessary to fulfill the Parties' respective obligations to serve.

ARTICLE VIII MISCELLANEOUS

Section 8.1: Negotiations. Whatever terms or conditions may have been discussed during the negotiations leading up to the execution of this Agreement, the only terms and conditions agreed upon are those set forth herein, and no alteration, modification, enlargement or supplement to this Agreement shall be binding upon either of the Parties unless made in writing, signed by both Parties, and approved by the Commission.

Section 8.2: Successors and Assigns. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon or give to any person or corporation, other than the Parties, any right, remedy or claim under or by reason of this Agreement or any provision or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding only upon the Parties and their respective representatives, successors and assigns.

Section 8.3: Notices. Notices and other written communications contemplated by this Agreement shall be deemed to have been given if sent by certified mail, postage prepaid, by prepaid private courier, or by email, as follows:

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As to Sumter Electric Cooperative, Inc.:	As to City of Ocala Electric Utility:
NAME: John LeSelva TITLE: Chief Operating Officer ADDRESS: 330 S US Highway 301 Sumterville, FL 33585 EMAIL: John.laselva@secoenergy.com	NAME: Doug Peebles TITLE: Director, Electric Utility ADDRESS: 1805 NE 30 th Ave., Bldg, 400 Ocala, FL 34470 EMAIL: DPeebles@ocalafl.gov
With a copy to: NAME: Tracy M. de Lemos, Esq. TITLE: Vice President, Corporate General Counsel ADDRESS: 330 S US Highway 301 Sumterville, FL 33585 EMAIL: tracy.delemos@secoenergy.com	With a copy to: NAME: Randy Hahn TITLE: Electric Engineering Manager ADDRESS: 1805 NE 30 th Ave., Bldg, 400 Ocala, FL 34470 EMAIL: RHahn@ocalafl.gov

Either Party may change its designated representative or address to which such notices or communications will be sent by giving written notice thereof to the other Party in the manner herein provided.

Section 8.4. Public Records. SECO is not a public agency nor is it acting on behalf of a public agency under this Agreement. SECO, however, acknowledges and agrees that OCALA is required to comply with Article I, Section 24, Florida Constitution and Chapter 119, Florida Statutes, in the handling of any public records created under this Agreement.

Section 8.5. No Waiver of Sovereign Immunity. Nothing herein is intended to waive any applicable sovereign immunity by OCALA, or of any rights or limits of liability existing under Section 768.28, Florida Statutes. This Section shall survive the termination of all performance or obligations under this Agreement, and shall be fully binding until any proceeding brought under this Agreement is barred by any applicable statute of limitations.

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Section 8.6. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall be deemed to be one and same agreement. Transmission of images of signed signature pages by facsimile, e-mail or other means shall have the same effect as the delivery of manually signed documents in person

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in triplicate in their respective corporate names and their corporate seals affixed by their duly authorized officers on the day and year first above written.

SIGNATURES CONTINUE ON NEXT PAGE.

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CITY OF OCALA FLORIDA,
a Florida municipal corporation

DocuSigned by:

Barry Mansfield

550E4A5AC2B44F7

By: Barry Mansfield, as
City Council President

ATTEST:

DocuSigned by:

Angel B. Jacobs

By: ANGEL JACOBS, as
City Clerk

APPROVED AS TO FORM AND LEGALITY:

DocuSigned by:

William E. Sexton

By: WILLIAM E. SEXTON, as
City Attorney

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Sumter Electric Cooperative, Inc.

Attest:

Morgan Hatfield

Morgan Hatfield (Jan 19, 2024 22:02 EST)

NAME

TITLE Secretary

SEAL

Tracy de Lemos

NAME Tracy M. de Lemos, Esq.

TITLE Vice President, Corporate General

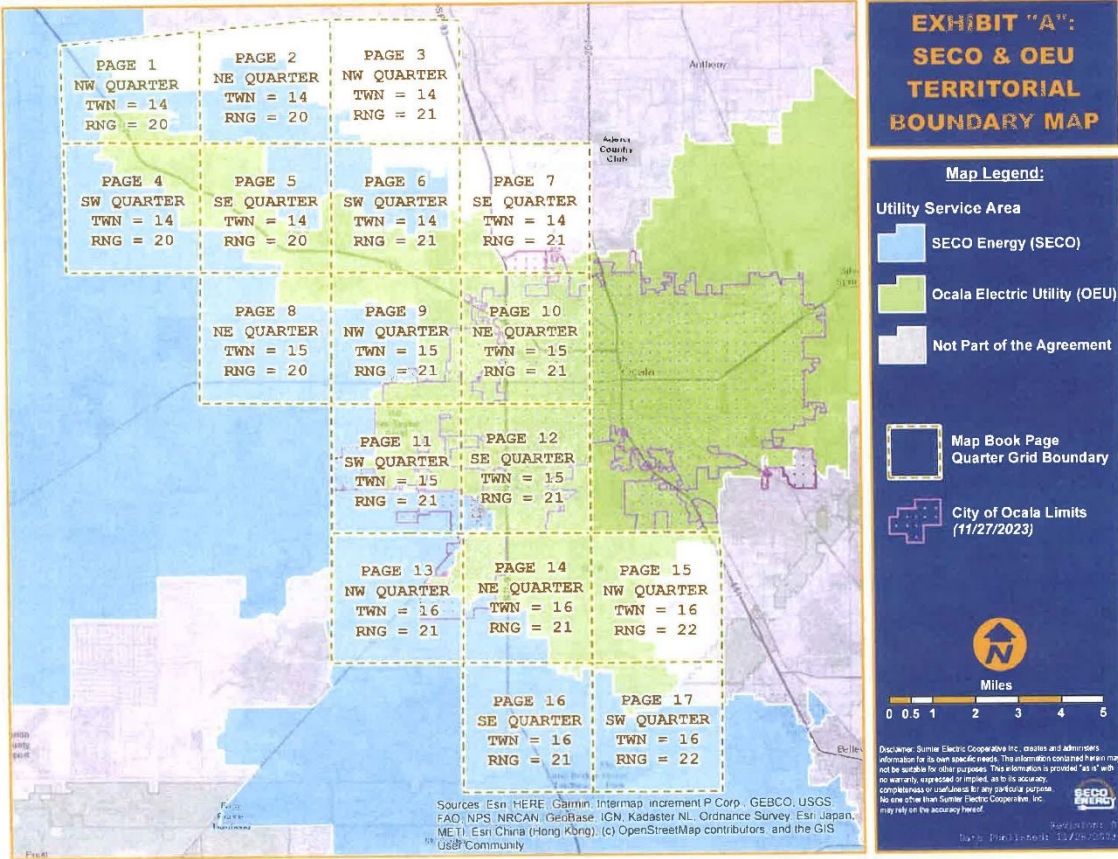
Counsel

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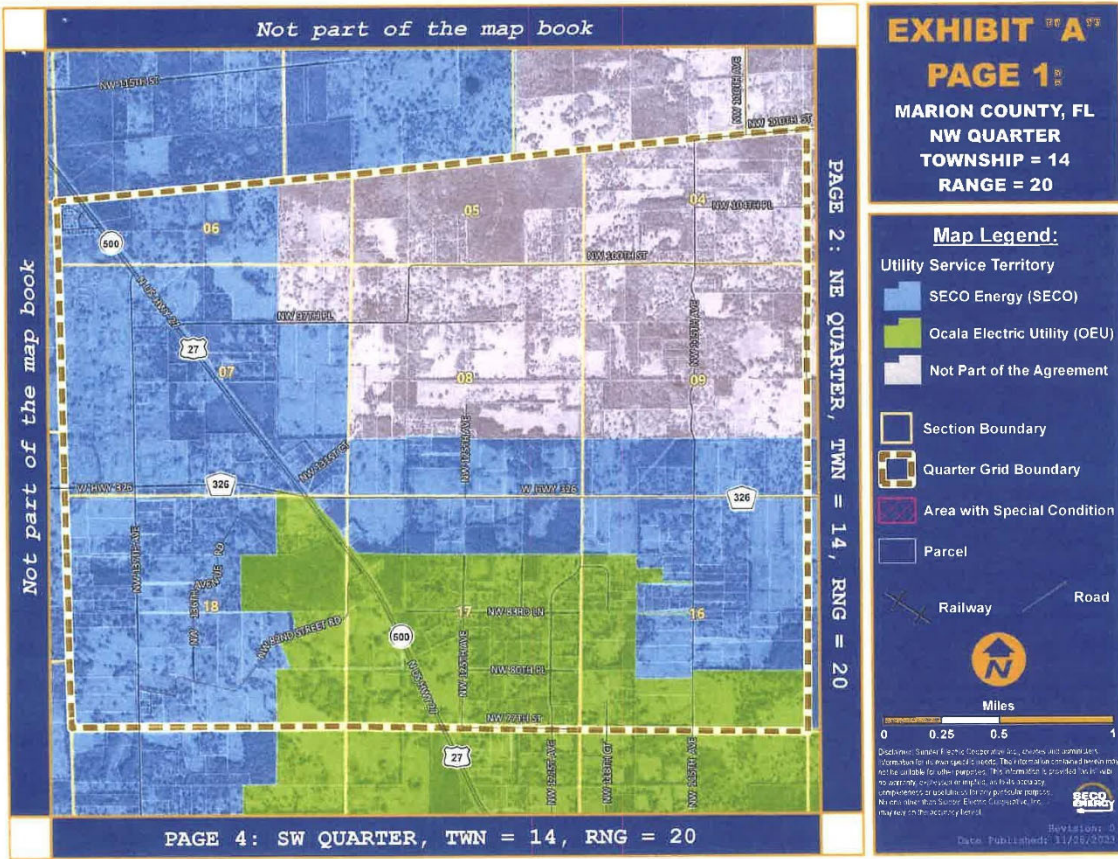
Composite Exhibit A

*SECO and OEU Territorial Maps and Detailed changes to
Territorial Boundary Lines, and
a General Highway Map Showing Utility Service
Territories for SECO and OEU*

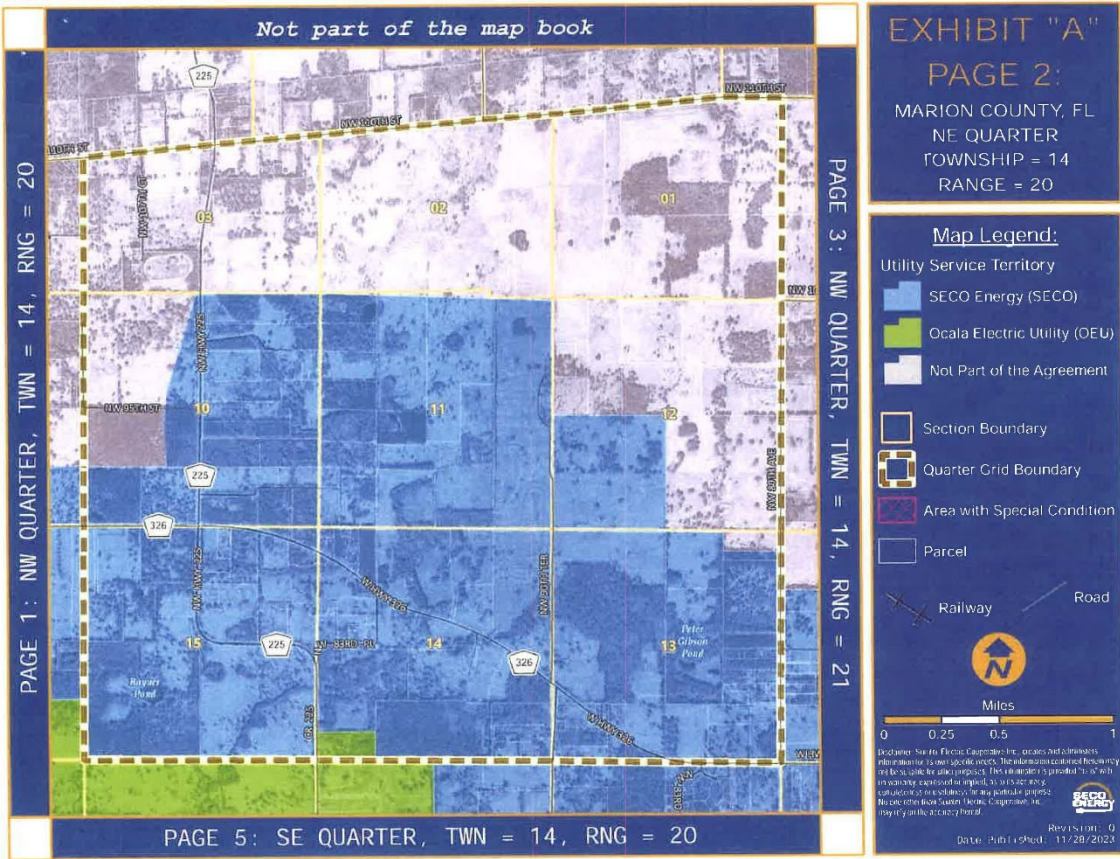
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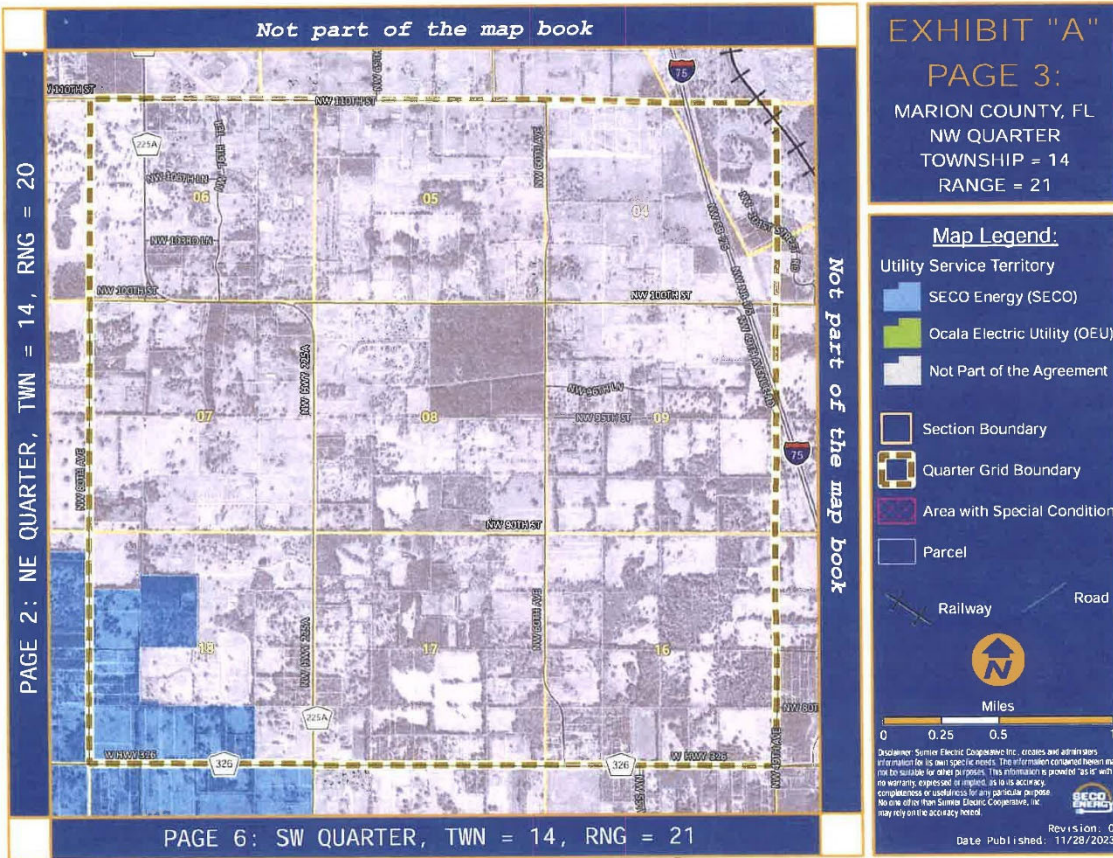
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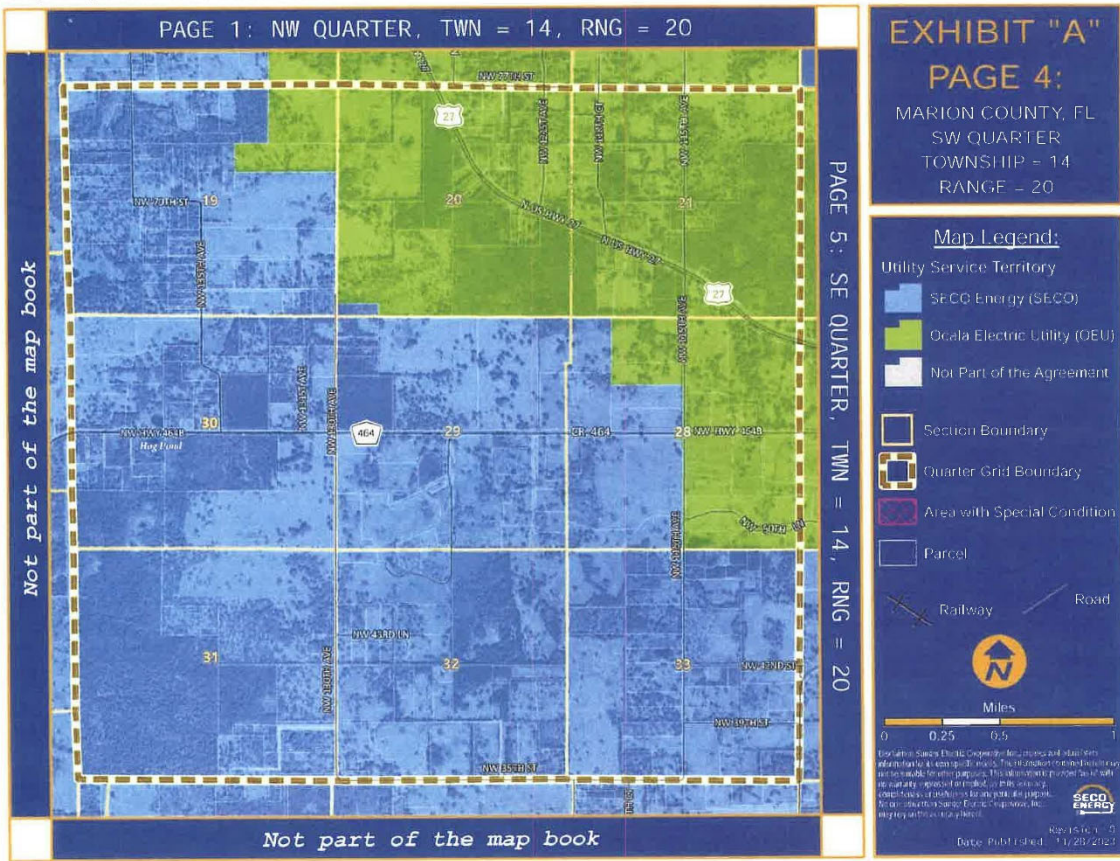
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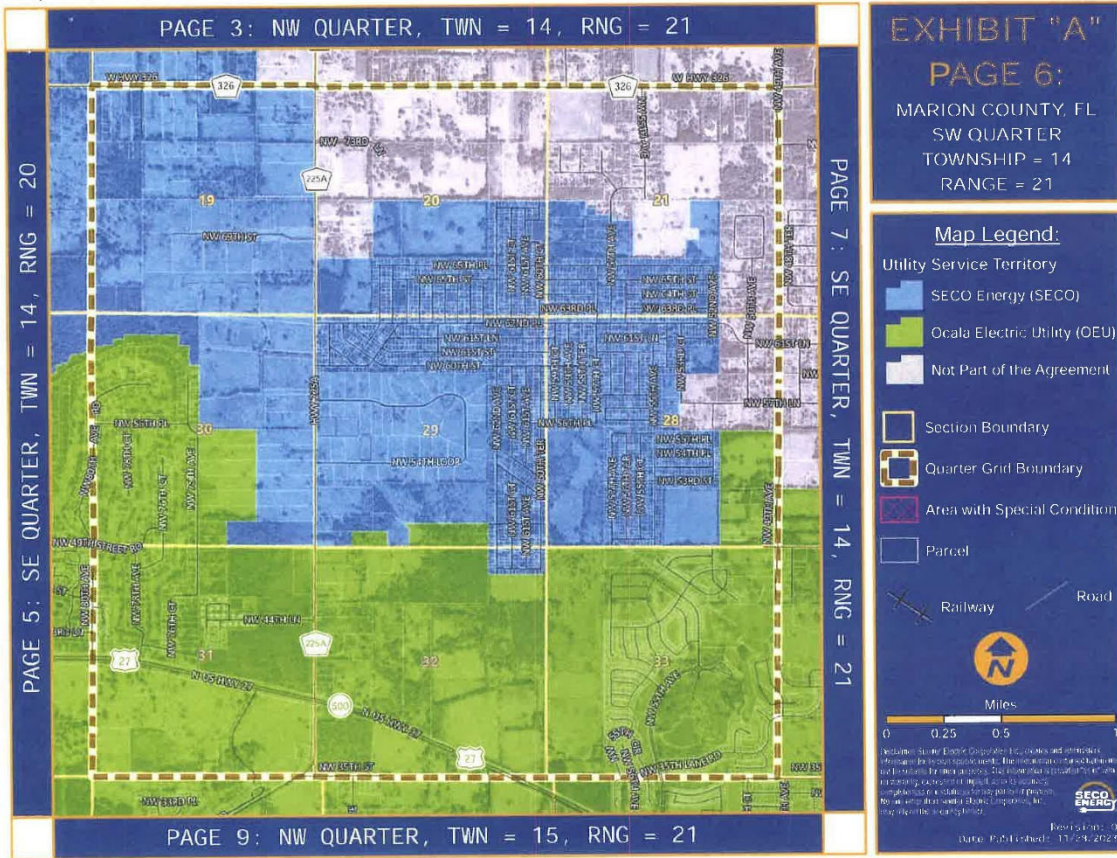
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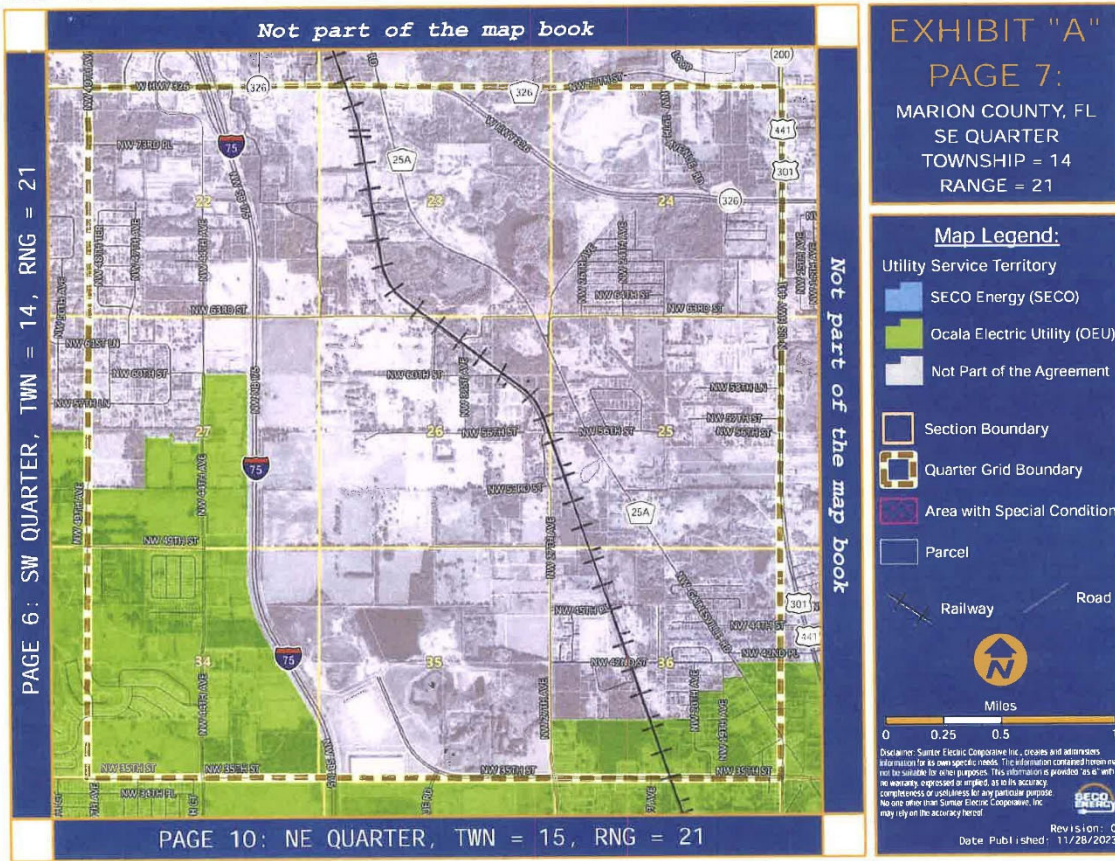
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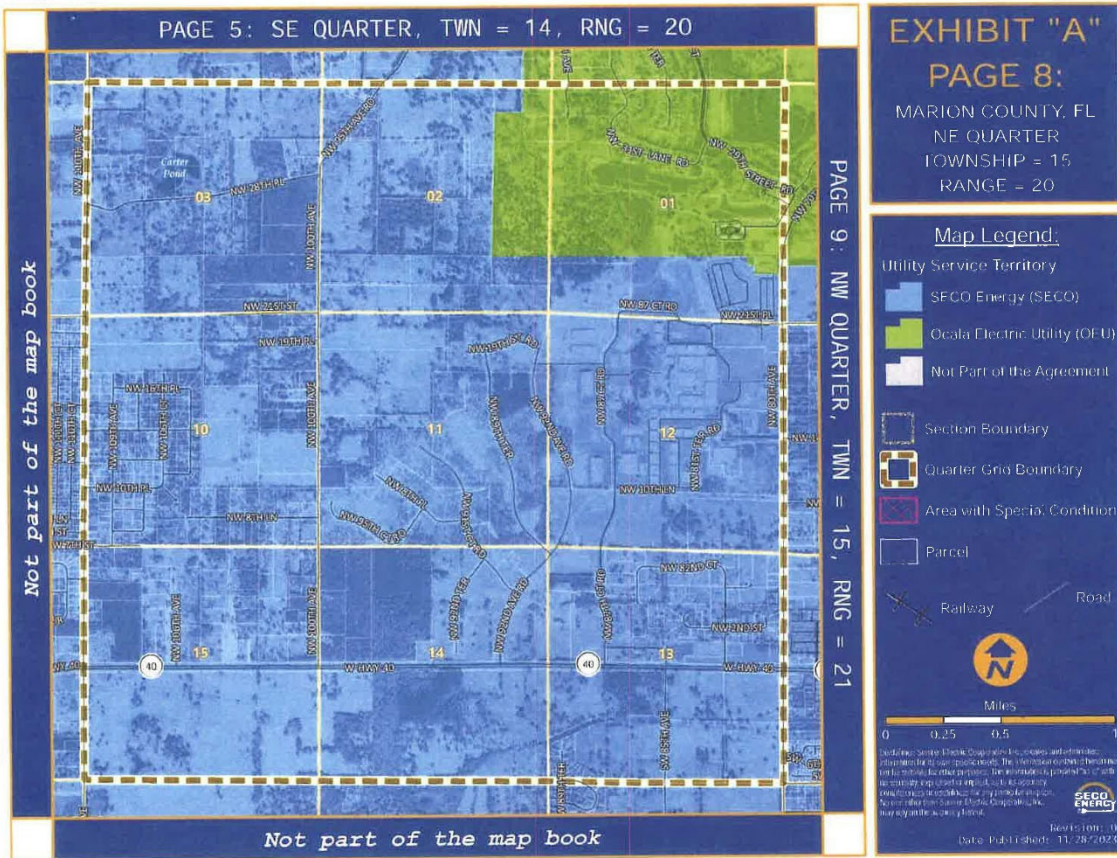
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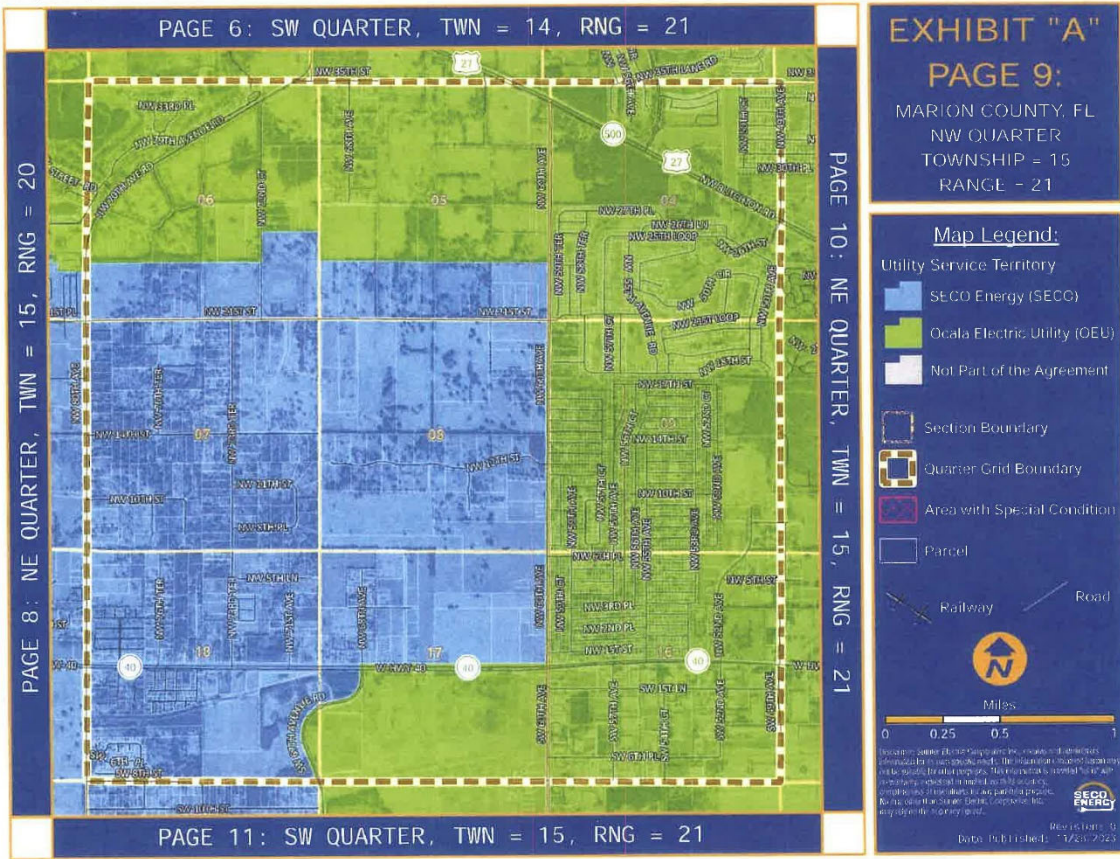
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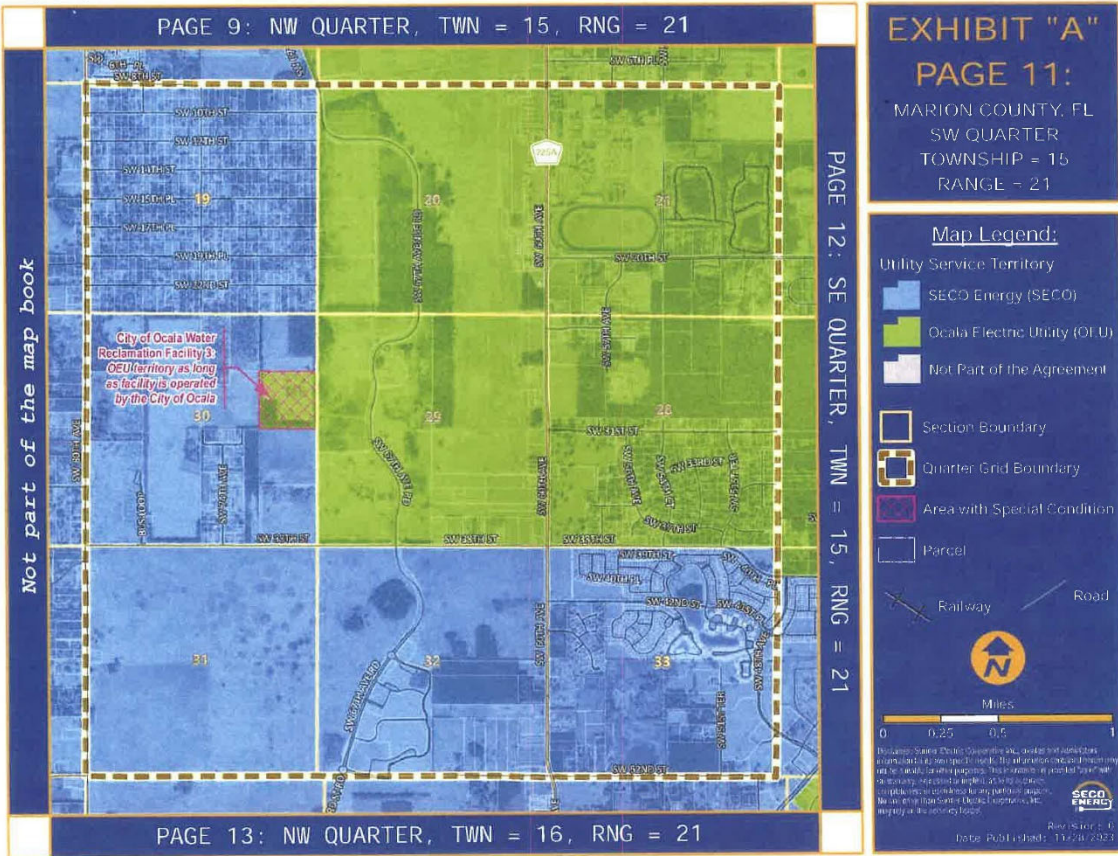
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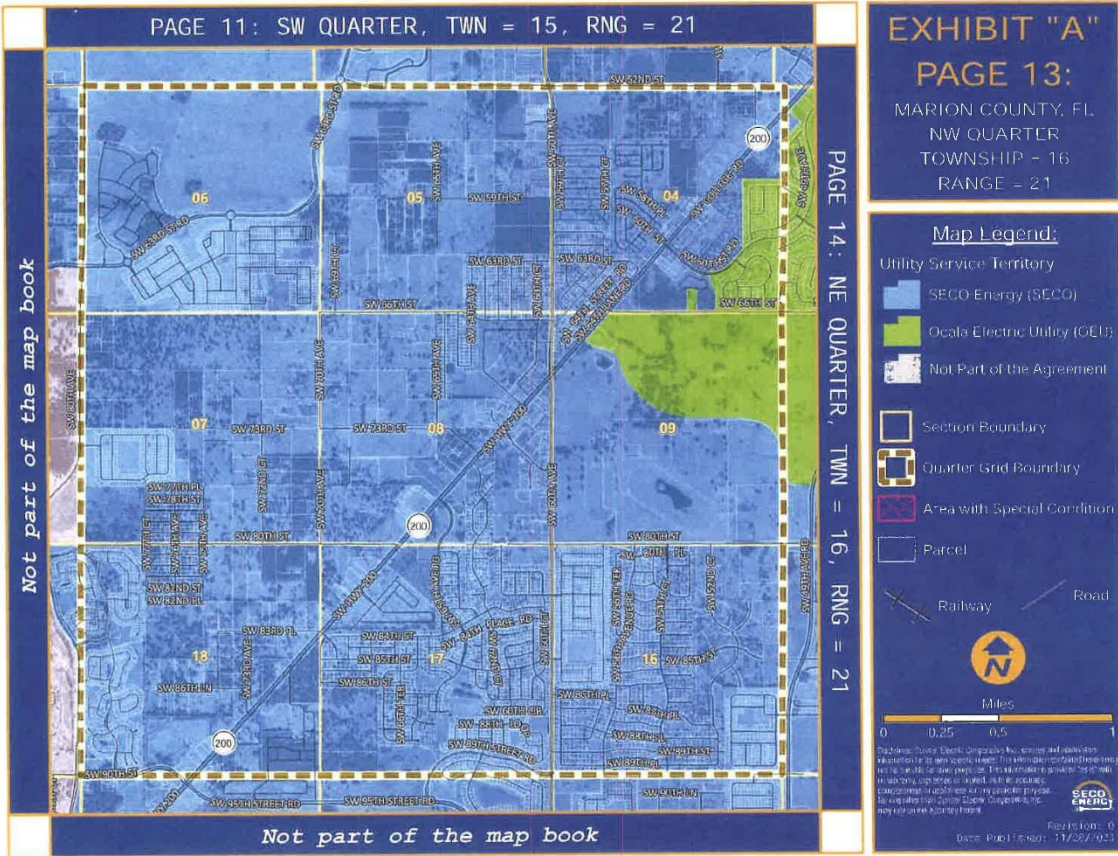
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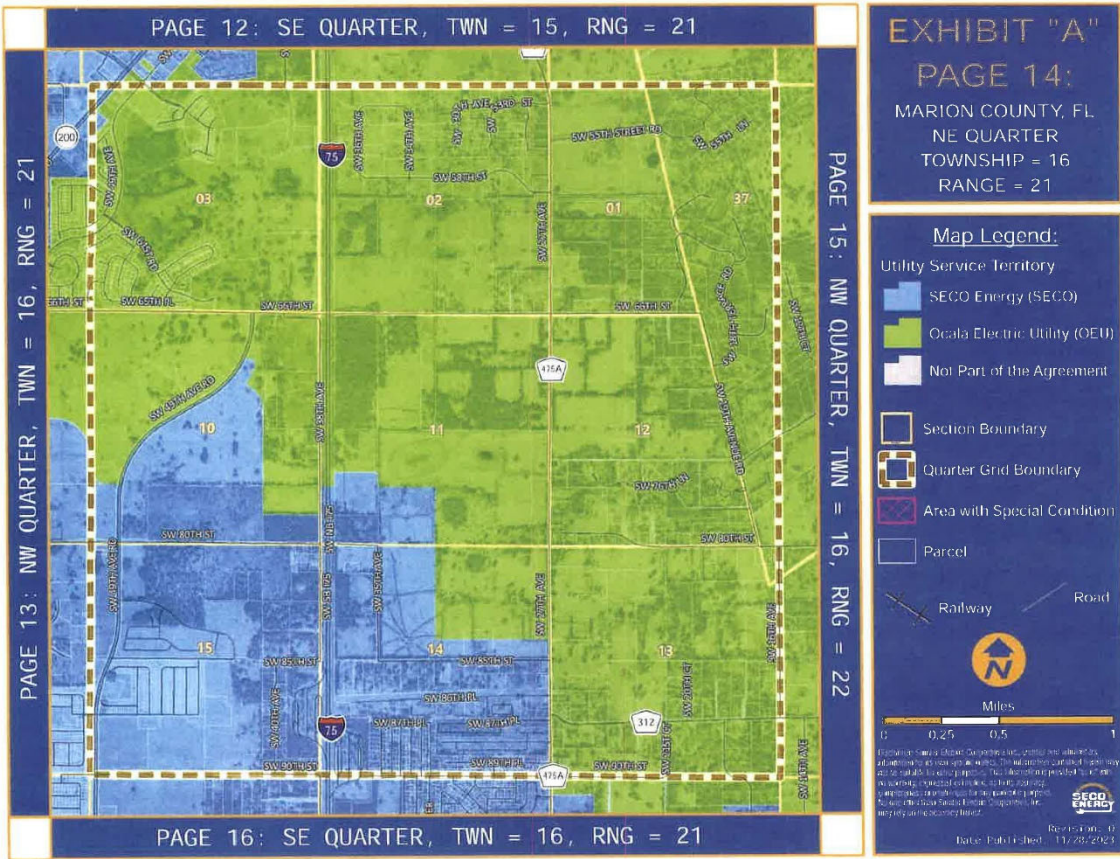
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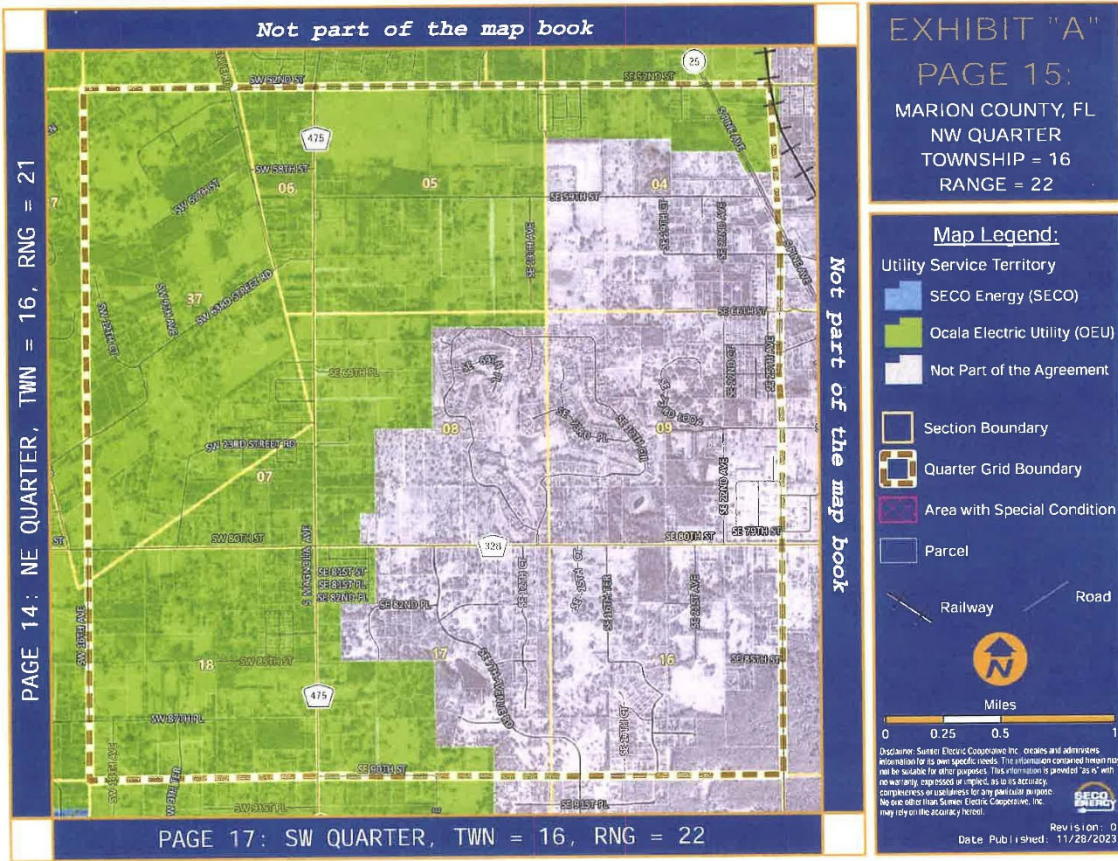
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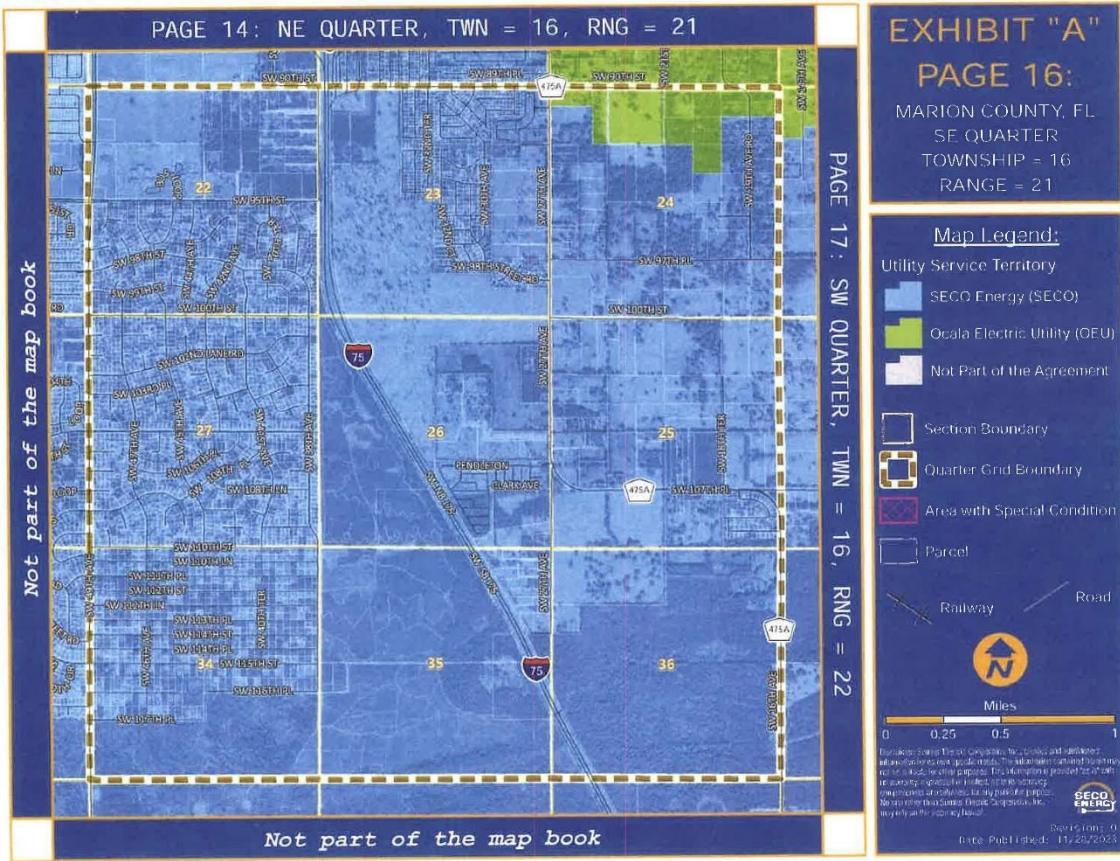
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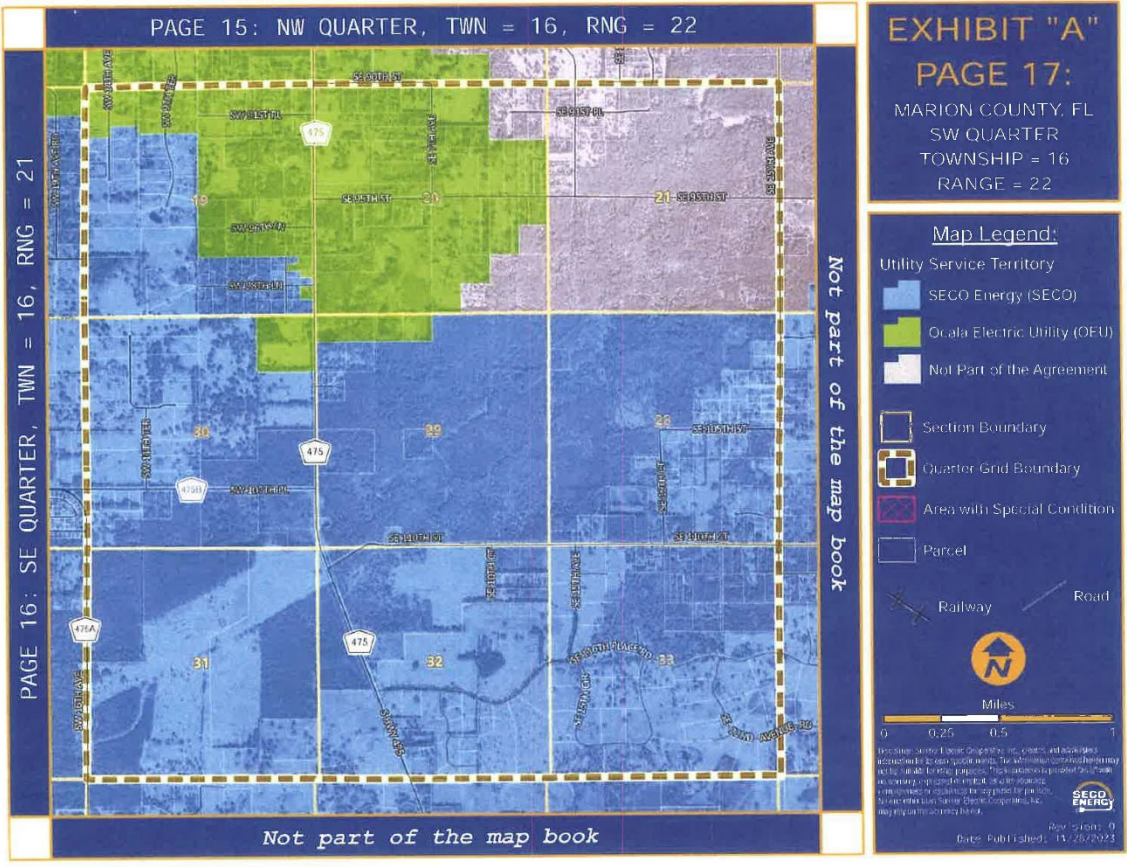
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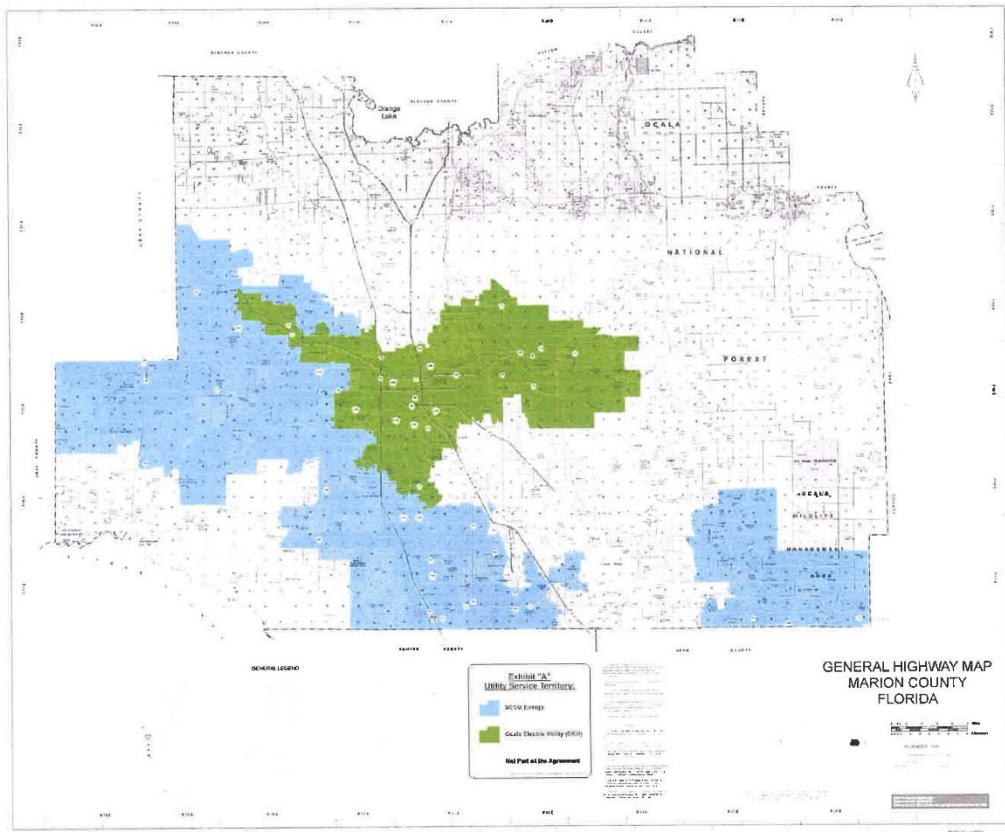
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Composite Exhibit B

*Written Description of Territorial Areas Served and
Territorial Changes Map*

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
1	NW	T14, R20	4,5	These sections are Not Part of this Agreement.
1	NW	T14, R20	6, 7, 8, 9	SECO serves the entire section that is Part of this Agreement. No areas are served by the OEU. NOTE: Section 7 at the SE there are part of 2 parcels that are served by OEU parcels # 12307-002-00 & 12438-003-01.
1	NW	T14, R20	16	SECO serves NE 1/4. SECO serves the North 1/2 of the SE 1/4. OEU serves the South 1/2 of the SE 1/4. SECO serves the North 1/2 of the NW 1/4, and the SE 1/4 of the NW1/4. Except parcel # 1243-003-000, that is served by OEU. OEU serves the SW 1/4 of the NW 1/4. SECO serves the NE 1/4 of the SW1/4 of section. OEU serves the rest of SW 1/4 of section. Except parcel # 12413-002-00.
1	NW	T14, R20	17	SECO serves the North 1/4 of the section. OEU serves the South 3/4 of the section.
1	NW	T14, R20	18	SECO Serves the West 3/4 of the section. Except parcel # 12438-001-00. OEU serves the East 1/4 of the section. Except parcels # 12442-008-00 & parcel # 12442-009-00.
2	NE	T14, R20	1,2,3	These sections are Not Part of this Agreement.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
2	SW	T14, R20	14	SECO serves the entire section. Except OEU serves parcel # 12397-000-00, located at the SW 1/4 corner.
2	NE	T14, R20	15	SECO serves the entire section.
3	NW	T14, R21	4, 5, 6, 7, 8, 9, 16, 17	These sections are Not Part of this Agreement.
3	NW	T14, R21	18	SECO serves the entire section that is Part of this Agreement. No areas are served by OEU.
4	NE	T14, R20	19	SECO serves section. Except OEU serves parcels # 12451-000-00, & 12431-000-00, located NE 1/4.
4	SW	T14, R20	20	OEU serves the entire section. Except Parcel # 12586-000-00 on the SW corner of section which is served by SECO.
4	SW	T14, R20	21	OEU serves the entire section. No areas are served by SECO.
4	SW	T14, R20	28	OEU serves the East 1/2 of the section. OEU serves the NE 1/4 of the NW 1/4 of section. SECO serves the rest of NW 1/4, Except parcels # 12577-000-00 & 12577-002-00 SECO serves the SW 1/4 of the section.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
4	SW	T14, R20	29	SECO serves the entire section. No areas are served by OEU.
4	SW	T14, R20	30, 31, 32, 33	SECO serves the entire sections. No areas are served by OEU.
5	SE	T14, R20	22	OEU serves the entire section. No areas are served by SECO.
5	SE	T14, R20	23	OEU serves the West 1/2 of the section. Except for part of parcel # 12489-001-18 and part of parcel # 12489-001-05, SECO serves the East 1/2 of the section.
5	SE	T14, R20	24	SECO serves the entire section. No areas are served by OEU.
5	SE	T14, R20	25	SECO serves the West 3/4 of the section. OEU serves the east 1/4 of the section. Except Parcel # 1357-012-001, located on the Northeast quarter of the section which is served by SECO.
5	SE	T14, R20	26	OEU serves the West half of the section, and the South half of the Southeast and the Northwest quarter of the SE1/4. SECO serves the Northeast quarter of the section and the Northeast quarter of the Southeast quarter.
5	SE	T14, R20	27	OEU serves the entire section. No areas are served by SECO.
5	SE	T14, R20	34	SECO serves the entire section. No areas are served by OEU.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
5	SE	T14, R20	35	OEU serves the North 3/4 of the section, Except Parcel # 12643-000-00, and parcel # 12650-000-00. SECO serves the South 1/4 of the section, Except parcel # 12669-000-01, and parcel # 12669-000-02 adjacent to the east section line which is served by OEU.
5	SE	T14, R20	36	OEU serves the entire section. No areas are served by SECO.
6	SW	T14, R21	19	SECO serves the entire section. No areas are served by OEU.
6	SW	T14, R21	28	SECO serves the West 1/2 of the section and the Northeast quarter section that is Part of this Agreement. On the Southeast quarter section, SECO serves the West half and OEU serves the East half.
6	SW	T14, R21	29	SECO serves the section, Except Parcels # 13561-004-00 and # 13562-002-00, which they are served by OEU.
6	SW	T14, R21	30	OEU serves the Western half of the section, Except Parcel # 1357-012-001 adjacent to the Northwest section which is served by SECO. SECO serves the Northeast quarter of the section. OEU serves the West 1/2 of the SE 1/4, Except Parcels # 13566-000-00. SECO serves the East 1/2 of the SE1/4.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
6	SW	T14, R21	31	OEU serves the entire section. No areas are served by SECO.
6	SW	T14, R21	32	OEU serves the section, Except for the parcels in the Ocala Park Estates (i.e., Northeast 1/4 of the Northeast 1/4 North 1/2 section) which are served by SECO.
6	SW	T14, R21	33	OEU serves the entire section. No areas are served by SECO.
7	SE	T14, R21	22, 23, 24, 25, 26	These sections are Not Part of this Agreement.
7	SE	T14, R21	27, 34	OEU serves the entire section that is Part of this Agreement. No areas are served by SECO.
7	SE	T14, R21	35	This section is Not Part of this Agreement.
7	SE	T14, R21	36	OEU serves the entire section that is Part of this Agreement. No areas are served by SECO.
8	NE	T15, R20	1	OEU serves the North 3/4 of the section. SECO serves the South 1/4 of the section, Except part of Parcel # 12674-001-02 and part of parcel # 12674-001-00.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
8	NE	T15, R20	2	SECO serves the West 1/2 of the section. SECO serves the West 1/2 of the NE 1/4 of section. OEU serves East 1/2 of the NE1/4 of section. Except parcel # 12665-000-04. OEU serves the NE 1/4 of the SE 1/4 of the section. SECO serves the rest of SE1/4 of the section.
8	NE	T15, R20	3, 10, 11, 12, 13, 14, 15	SECO serves the entire sections. No areas are served by OEU.
9	NW	T15, R21	4	OEU serves the entire section. No areas are served by SECO.
9	NW	T15, R21	5	OEU serves the North 3/4 of the section. SECO serves the South 1/4 of the Section.
9	NW	T15, R21	6	OEU serves the North 3/4 of the section. Except part of parcel # 21619-001-01. SECO serves the South 1/4 of the Section.
9	NW	T15, R21	7, 8	SECO serves the entire sections. No areas are served by OEU.
9	NW	T15, R21	9, 16	OEU serves the entire sections. No areas are served by SECO.
9	NW	T15, R21	17	SECO serves the North 1/2 of the section (North of Hwy 40). OEU serves the South 1/2 of the section (South of Hwy 40) Except portion of Parcel # 23306-001-00 on the West side of SW 67th Ave Rd. located NW 1/4 of the NW 1/4 of the SW1/4 which is served by SECO.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
9	NW	T15, R21	18	SECO serves the section. Except Parcel # 23306-001-00 on the East side of SW 67th Ave Rd (adjacent to the East section line) which is served by OEU.
10	NE	T15, R21	1, 2, 3, 10, 11, 12, 13, 14, 15	OEU serves the entire sections. No areas are served by SECO.
11	SW	T15, R21	19	SECO serves the entire section. No areas are served by OEU.
11	SW	T15, R21	20, 21, 28, 29	OEU serves the entire sections. No areas are served by SECO.
11	SW	T15, R21	30	SECO serves the section. Except for Parcel # 23825-000-00, which is located at the SW 1/4 of the NE 1/4, which is served by OEU.
11	SW	T15, R21	31, 32, 33	SECO serves the entire sections. No areas are served by OEU.
12	SE	T15, R21	22, 23, 24, 25, 26, 27	OEU serves the entire sections. No areas are served by SECO.
12	SE	T15, R21	34	OEU serves the Northeast quarter of section. OEU serves North 1/4 of the NW 1/4 of section. SECO serves the South 3/4 of the NW 1/4. Except Parcel # 23866-001-01. OEU serves the East 1/2 of the SE 1/4 of section. SECO serves the West 1/2 of the SE 1/4. Except parcel # 23877-000-09. SECO serves the SW 1/4. Except parcels # 23874-000-16, 23874-000-17, 23874-000-07, 23877-000-03 & 23877-000-00, are served by OEU.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
12	SE	T15, R21	35, 36, 37, 38	OEU serves the entire sections. No areas are served by OEU.
13	NW	T16, R21	4	SECO serves the West 1/2 of the section. SECO serves most of the East 1/2 of the section, Except for the areas served by OEU in Meadows at Heath Brook Phase 1 & 2, Heath Brook Hills, and Preserve at Heath Brook Phase 1, and Parcel # 35369-033-00.
13	NW	T16, R21	5, 6, 7, 8	SECO serves the entire sections. No areas are served by OEU.
13	NW	T16, R21	9	SECO serves the South 1/2 of the section. Except portion of parcel # 35512-001-00. OEU serves the North 1/2 of the section. Except part of parcels; # 35512-001-07, 35512-001-04, 35512-001-00, 35512+001-01 and lots South of Bahia Oaks Unit 2. subdivision
13	NW	T16, R21	16, 17, 18	SECO serves the entire sections. No areas are served by OEU.
14	NE	T16, R21	1, 2	OEU serves the entire sections. No areas are served by SECO.
14	NE	T16, R21	3	OEU serves the section. Except part of parcels # 23874-000-09, 35369+001-00, 23894-002-00 & 23894+002-00. Located at Northwest corner of the section which are served by SECO.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
14	NE	T16, R21	10	OEU serves the North 3/4 of section. Except part of parcel # 35512-001-00, which now is Winding Oaks subdivision. SECO serves the South 1/4 of the section. Except parcel # 35520-000-00 served by OEU.
14	NE	T16, R21	11	OEU serves the North 1/2 of the section, and the SE 1/4, and the North 1/2 of the SW 1/4. Except part of parcel # 35532-000-00. SECO serves the South 1/2 of the SW 1/4 of section.
14	NE	T16, R21	12, 13	OEU serves the entire sections. No areas are served by SECO.
14	NE	T16, R21	14	SECO serves the West 1/2 of the section and Southeast quarter of the section. OEU serves the Northeastern quarter of the section. Except parcel # 35610-000-01 and part of parcel # 35610-000-00, North of SW 85th St) which SECO served.
14	NE	T16, R21	15	SECO serves the entire section. No areas are served by OEU.
14	NE	T16, R21	37	OEU serves the entire section. No areas are served by SECO.
15	NW	T16, R22	4	OEU serves the entire section that is Part of this Agreement. No areas are served by SECO.
15	NW	T16, R22	5, 6, 7	OEU serves the entire sections. No areas are served by SECO.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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Written Description of the Territorial Boundary Lines *

EXHIBIT B

EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
15	NW	T16, R22	8	OEU serves the entire section that is Part of this Agreement. No areas are served by SECO.
15	NW	T16, R22	9, 16	These sections are Not Part of this Agreement.
15	NW	T16, R22	17	OEU serves the section that is Part of this Agreement. No areas are served by SECO.
15	NW	T16, R22	18, 37	OEU serves the entire sections. No areas are served by SECO.
16	SE	T16, R21	22, 23	SECO serves the entire sections. No areas are served by OEU.
16	SE	T16, R21	24	SECO serves the South 1/2 of the section. OEU serves NE 1/4 of the NW 1/4 and the NW 1/4 of the NW1/4. Except parcel # 35770-012-00. SECO serves the rest of the NW 1/4 of the section. OEU serves the NW 1/4 of the NE 1/4, and North 1/2 of the NE 1/4 of the NE 1/4 and the NE 1/4 of the SW 1/4 of the NE 1/4. SECO serves the SE 1/4 of the NE 1/4 of the section.
16	SE	T16, R21	25, 26, 27, 34, 35, 36	SECO serves the entire sections. No areas are served by OEU.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

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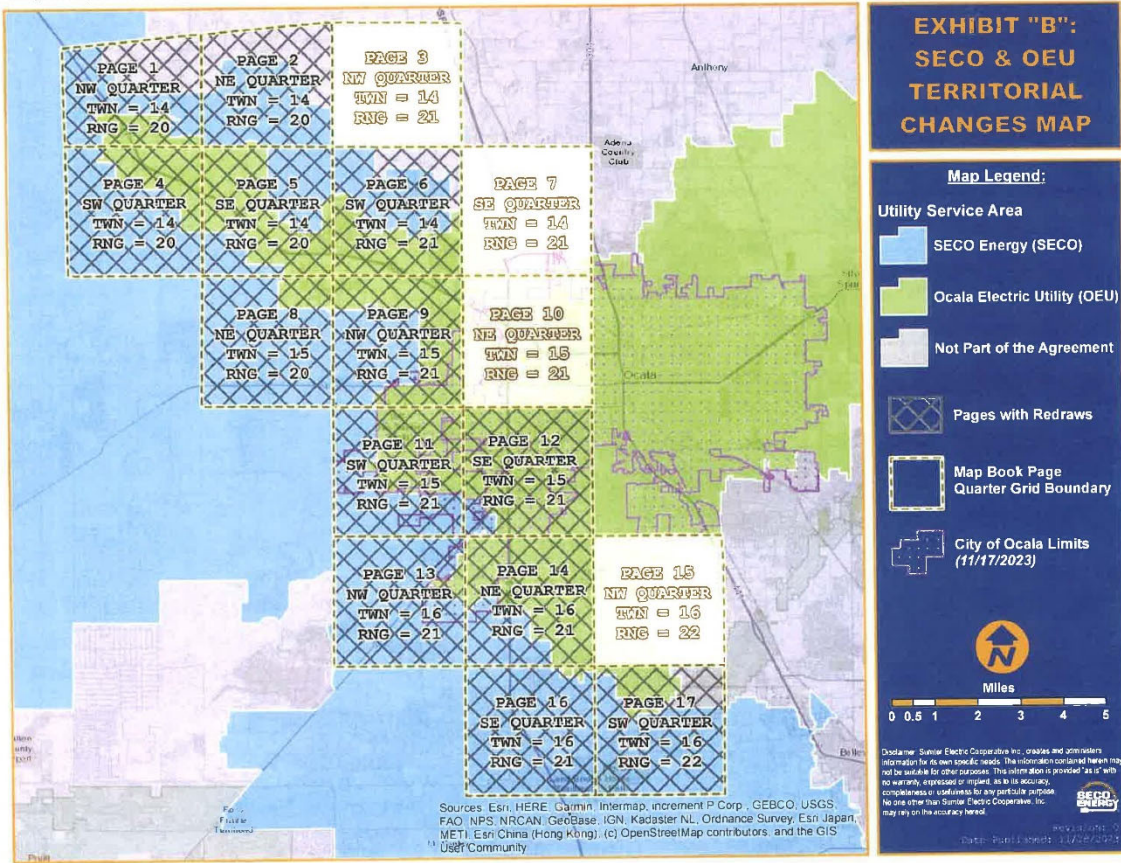
Written Description of the Territorial Boundary Lines *

EXHIBIT B

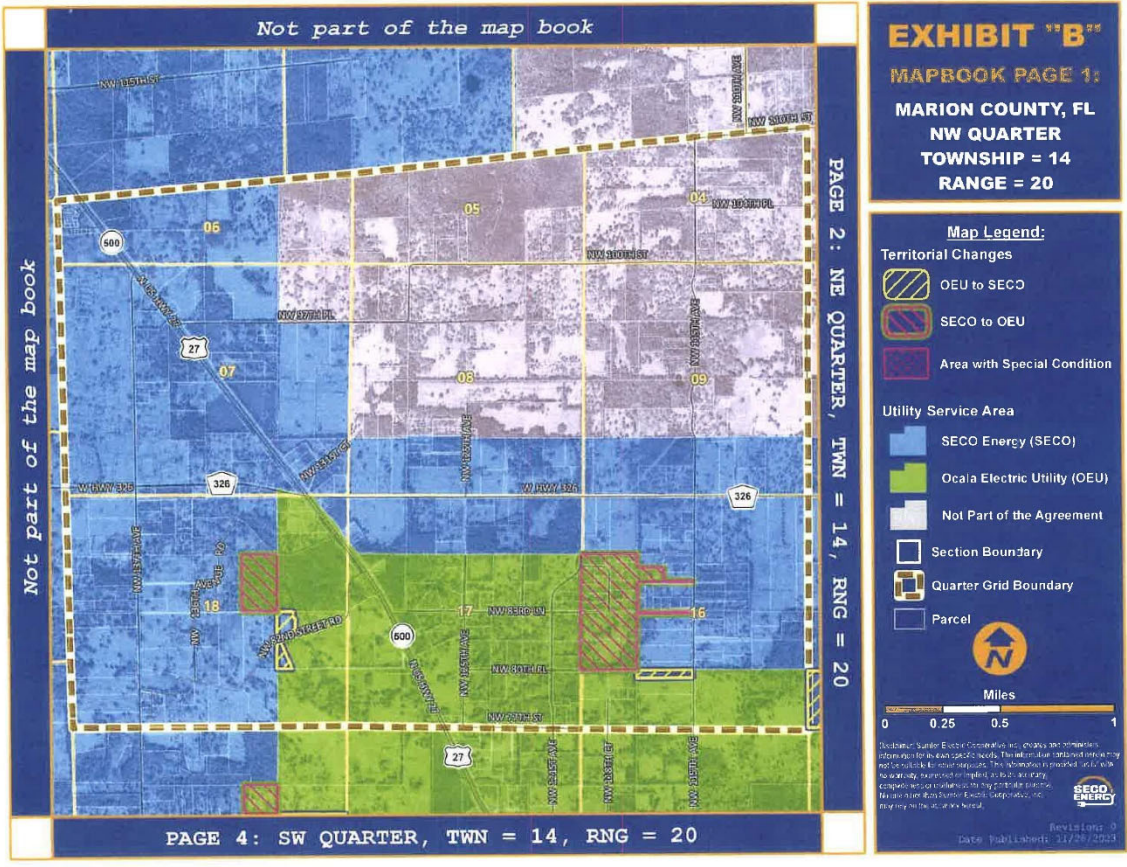
EXHIBIT A Map Page	Quarter	Township, Range	Section(s)	Description/Notes
17	SW	T16, R22	19	<p>OEU serves NE 1/4, and North half of the SE 1/4. SECO serves the South half. Except parcels # 36783-005-00 & 36783-003-00 of the section, they are served by OEU.</p> <p>OEU serves the North half of the NW 1/4. Except parcels #; 36760-007-09, 36760-007-15, 36760-007-16, 3677-022-000 and 3677-007-000. SECO serves the South half of the NW 1/4 of the section.</p> <p>SECO serves the SW 1/4 of the section,</p>
17	SW	T16, R22	20	OEU serves the entire section that is Part of this Agreement. No areas are served by SECO.
17	SW	T16, R22	21	These section is Not Part of this Agreement.
17	SW	T16, R22	28	SECO serves the entire section. No areas are served by OEU.
17	SW	T16, R22	29	SECO serves the section with the exceptions of Parcels # 37332-000-00, 37332-000-00 & 36796-010-00, which they are located at the North quarter of the NW1/4, section which are served by OEU.
17	SW	T16, R22	30	SECO serves the section. Except for Parcel # 37336-000-00, located at the NE 1/4 of the NE 1/4 of the section which is served by OEU.
17	SW	T16, R22	31, 32, 33	SECO serves the entire sections. No areas are served by OEU.

* Territorial areas are described within the Quarter Grid Boundary. If there are any discrepancies between Exhibit A and Exhibit B, the territorial boundary maps in Exhibit A shall prevail.

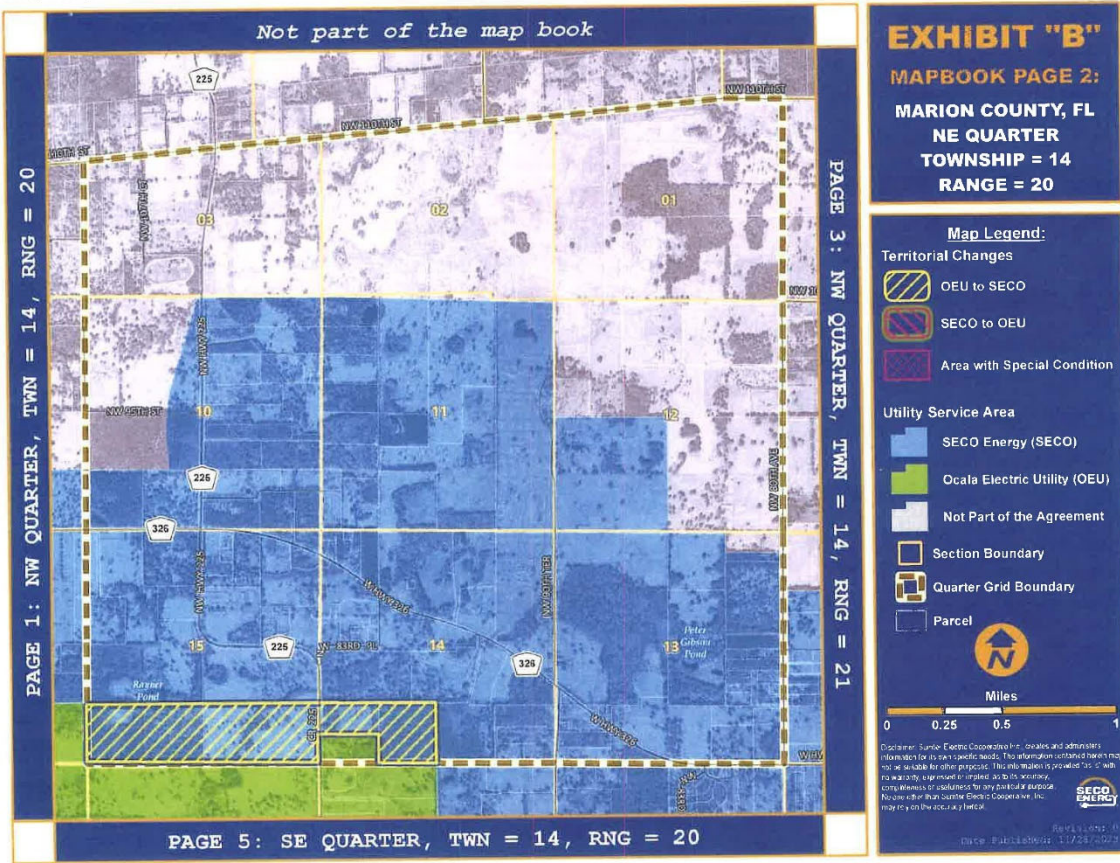
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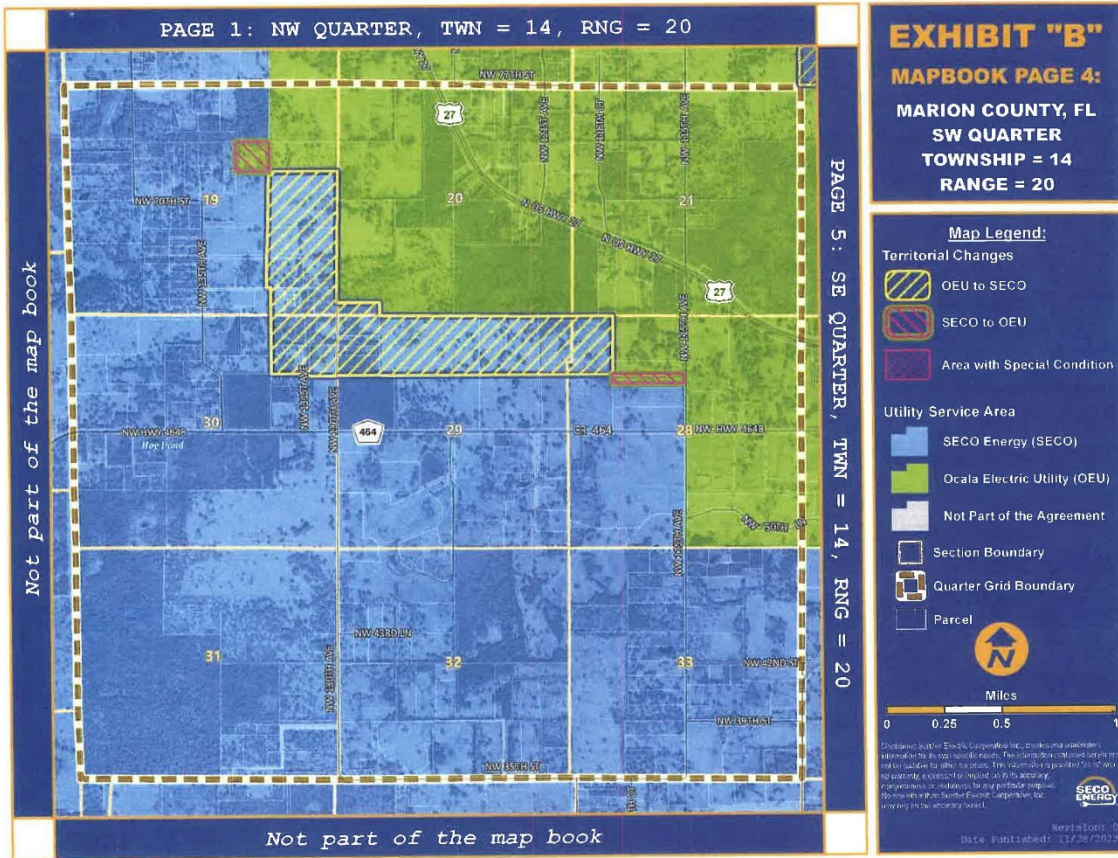
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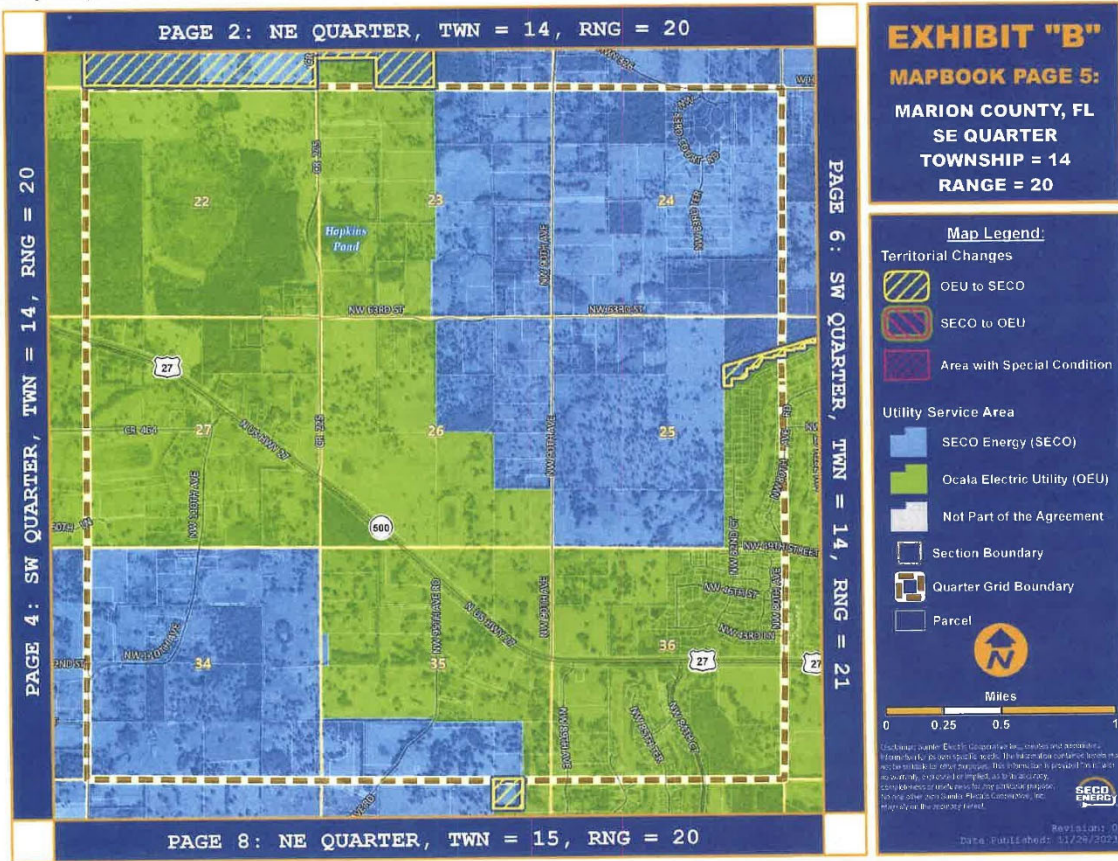
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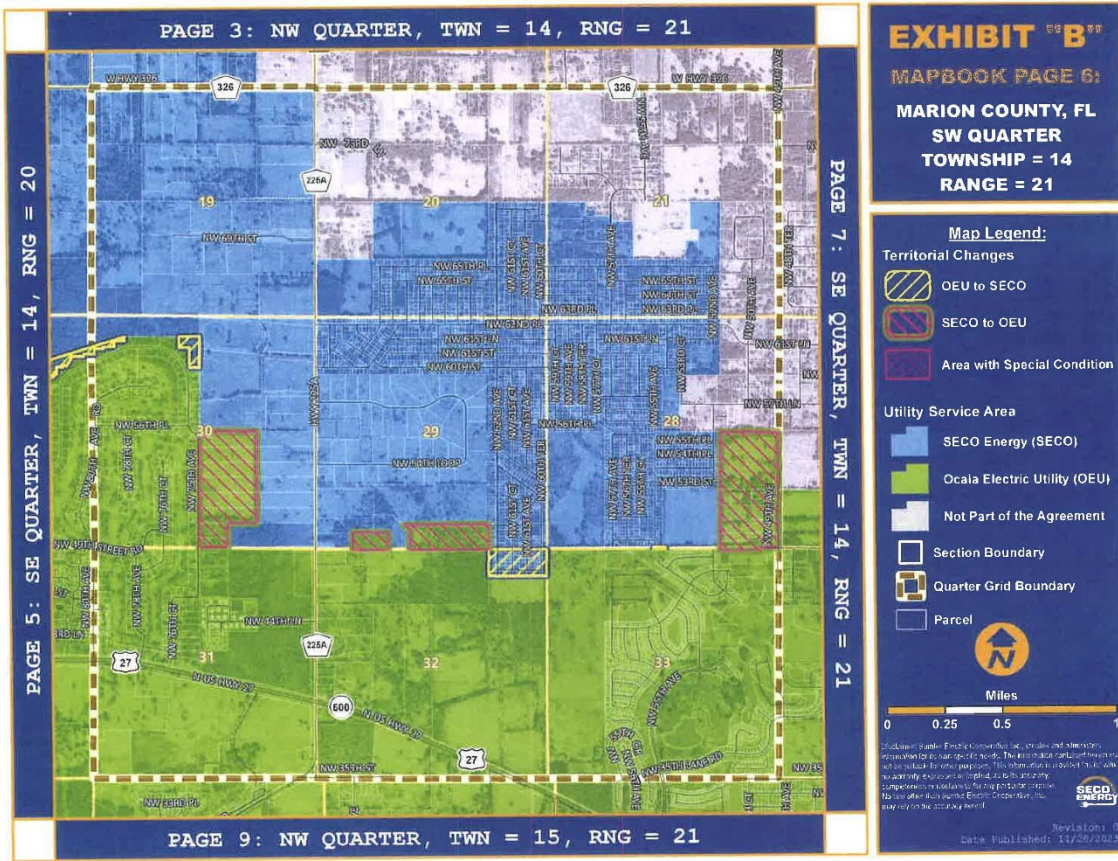
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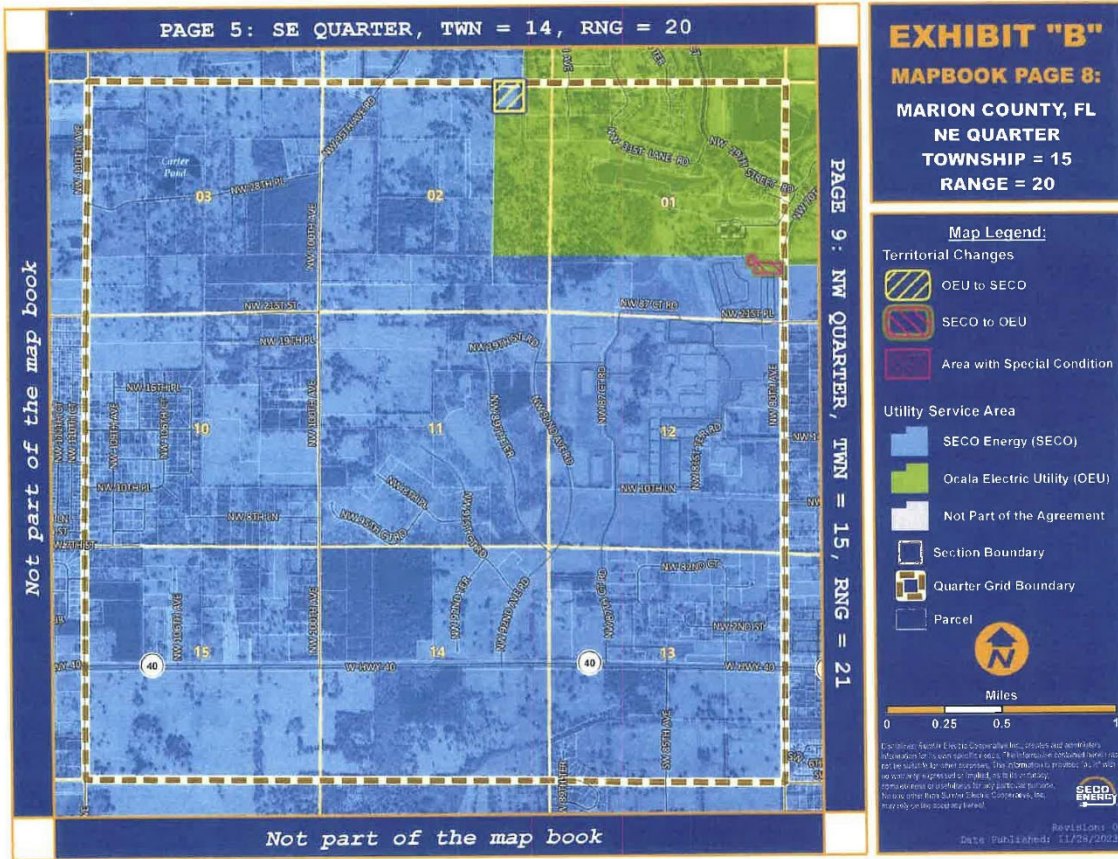
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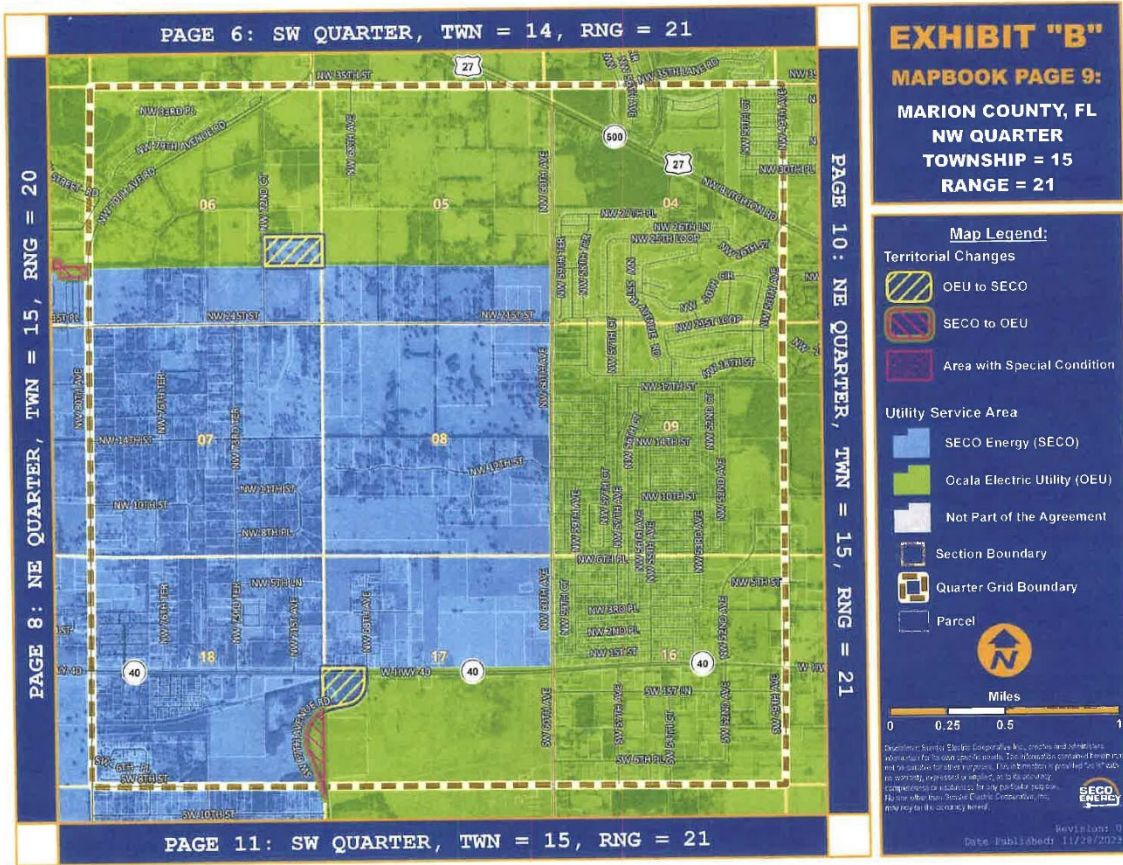
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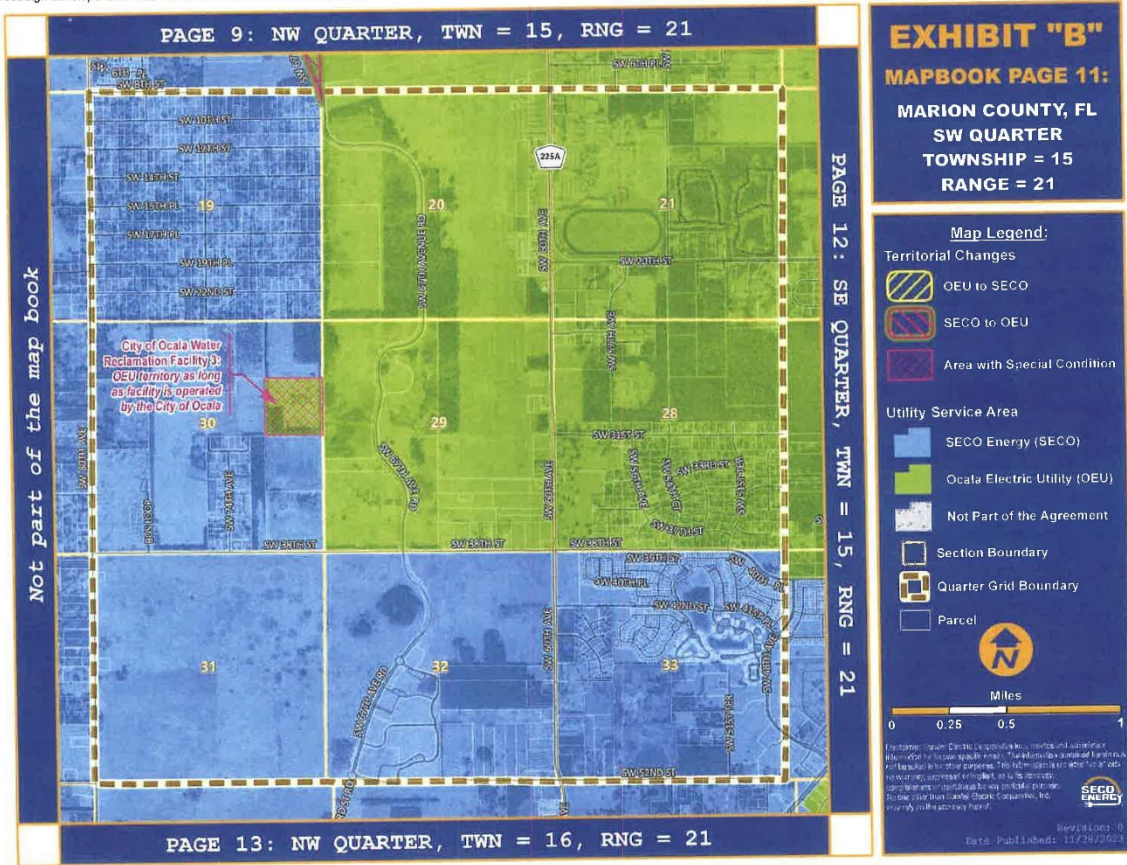
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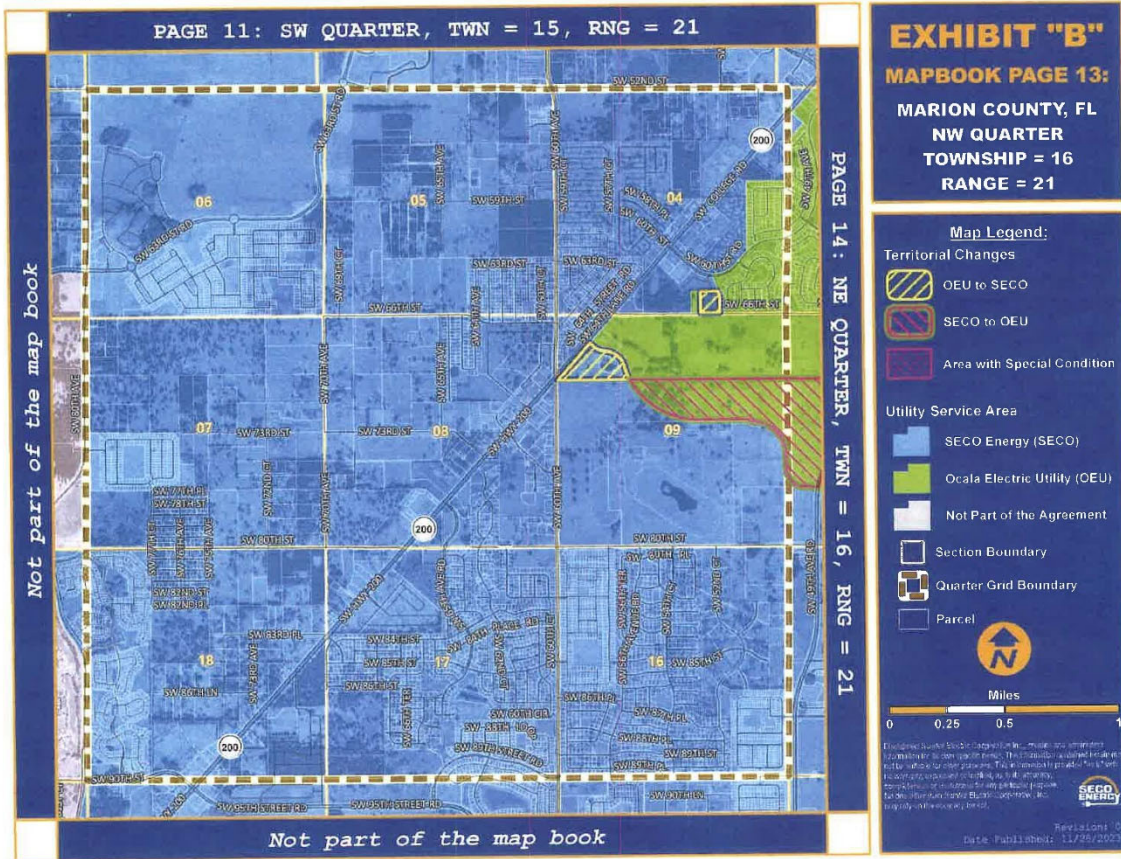
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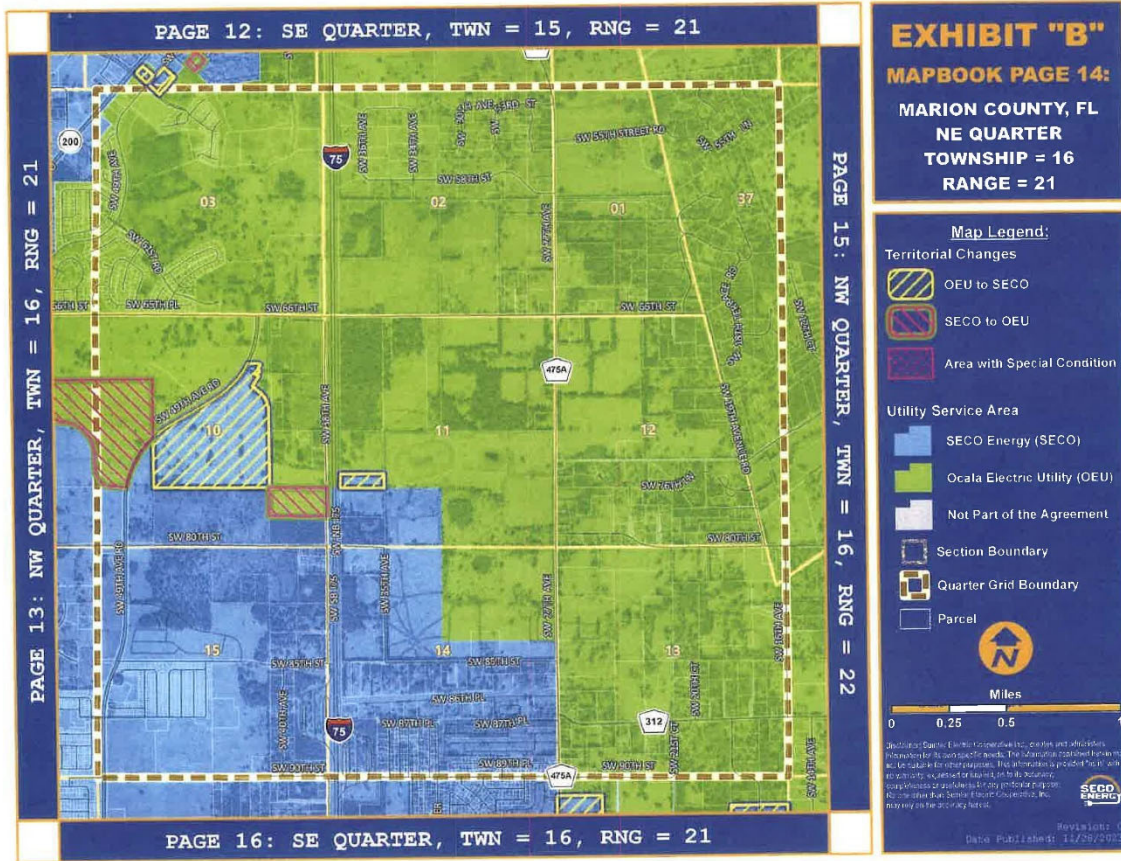
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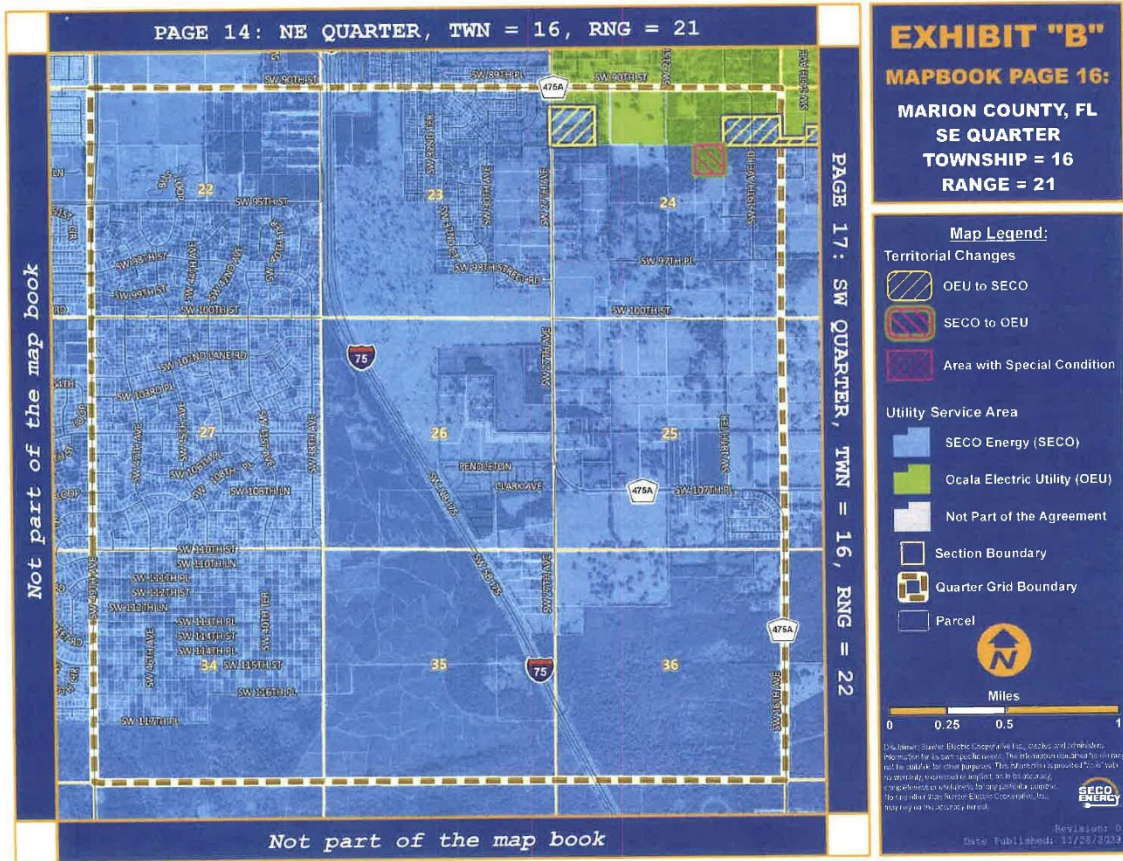
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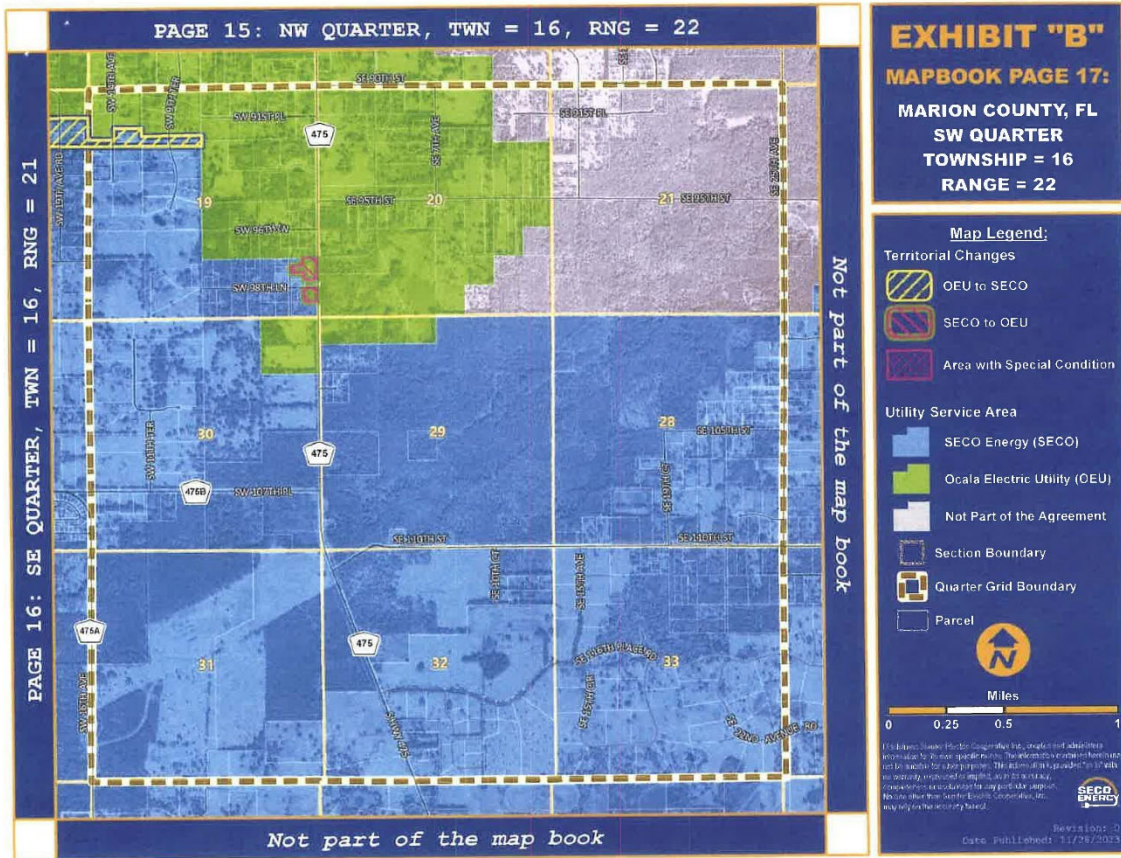
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Exhibit C

*SECO Energy Services Transferring to
the City of Ocala Electric Utility*

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Exhibit C
 SECO Energy Services Transferring to The City of Ocala Electric Utility

Line	Service Location Address	Additional Lighting Services
1	13120 NW 82 ST RD, OCALA, FL 34481-9611	
2	4939 NW 115 AVE, OCALA, FL 34482-1819	
3	12770 N US HWY 27, OCALA, FL 34482	
4	NW 115 AVE, OCALA, FL 34482	
5	8365 NW 118 TERR, OCALA, FL 34475-5338	
6	12760 N US HWY 27, OCALA, FL 34482	
7	12610 N US HIGHWAY 27, OCALA, FL 34482-8643	
8	12760 N US HWY 27, OCALA, FL 34482	
9	12618 N US HIGHWAY 27, OCALA, FL 34482-8643	
10	13120 NW 82ND ST RD, OCALA, FL 34481-9611	
11	13240 NW 82 ST RD, OCALA, FL 34482-1727	1 - 100w Open Bottom Yard Light (Active)
12	13240 NW 82 ST RD, OCALA, FL 34482-1727	
13	13101 NW 82ND ST RD, OCALA, FL 34482-1728	1 - 100w Open Bottom Yard Light (Active)
14	13101 NW 82ND ST RD, OCALA, FL 34482-1728	
15	12950 NW 82 STREET RD, OCALA, FL 34482-1034	
16	12910 N US 27 (BARN), OCALA, FL 34482-1034	1 - 100w Open Bottom Yard Light (Active)
17	12662 NW H 27 (TRN BARN), OCALA, FL 34482-8643	
18	12662 NW HWY 27 (BARN), OCALA, FL 34482-8643	
19	12662 NW HWY 27 (10 HP), OCALA, FL 34482-8643	
20	12662 NW HWY 27 (HSE), OCALA, FL 34482-8643	1 - 100w Open Bottom Yard Light (Active)
21	12662 N US HWY 27 (SHED), OCALA, FL 34482-8643	
22	12610 NW HWY 27, OCALA, FL 34482-1401	1 - 100w Open Bottom Yard Light (Active)
23	12610 NW HWY 27, OCALA, FL 34482-1401	11 - 100w Open Bottom Yard Lights (Active)
24	12610 NW HWY 27, OCALA, FL 34482-1401	1 - 100w Open Bottom Yard Light (Active)
25	12610 NW HWY 27, OCALA, FL 34482	
26	2750 NW 72 CT (PUMP), OCALA, FL 34482-3828	
27	4550 NW 90 AVE (GUEST HSE), OCALA, FL 34482-3823	
28	2901 NW 72 CT, OCALA, FL 34482-3984	
29	12600 N US HWY 27, OCALA, FL 34475	
30	4765 SW 40 ST, OCALA, FL 34474-4374	2 - 250w Cobra Head Lights (In-Active)
31	2460 NW 72 COURT, OCALA, FL 34482	
32	4560 NW 90 AVE (GATE), OCALA, FL 34482	
33	12600 N US HWY 27, OCALA, FL 34483	
34	2566 NW 72 CT, OCALA, FL 34482	
35	4575 NW 90 AVE, OCALA, FL 34471-5034	
36	4550 NW 90TH AVE (BARN), OCALA, FL 34482-3823	
37	4675 SW 40 ST, OCALA, FL 34474	
38	SW 48TH AVENUE & SR 200, OCALA, FL 34474	13 - 100w Lights (Active)
39	7605 NW 72ND CT, OCALA, FL 34482	
40	4897 SW 40 ST, OCALA, FL 34474-4374	
41	4679 SW 40 ST, OCALA, FL 34474-4374	
42	1925 NW 60TH AVE, OCALA, FL 34482	
43	Parcel # 21624-002-00	1 - 250w Cobra Head Light (Active)
44	Parcel # 21624-002-00	
45	10066 S MAGNOLIA AVE, OCALA, FL 34476-7574	1 - 100w Open Bottom Yard Light (Active)
46	10072 S MAGNOLIA AVE, OCALA, FL 34476-7574	
47	4560 NW 90 AVE (HOUSE), OCALA, FL 34482-3823	
48	6659 N US HWY 27, OCALA, FL 34482-3979	
49	12606 N US HWY 27, OCALA, FL 34482	
50	2675 NW 72ND CT, OCALA, FL 34471	
51	4939 NW 115 AVE, OCALA, FL 34482	
52	12856 N US HWY 27, OCALA, FL 34482	

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Exhibit D

*City of Ocala Utility Services Transferring to
SECO Energy*

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Exhibit D
City of Ocala Utility Services Transferring to SECCO Energy

Line	Service Location Address
1	7897 NW HWY 225, Ocala, FL 34471
2	5850 SW HWY 200, Ocala, FL 34471
3	5850 SW HWY 200, Ocala, FL 34471
4	5600 SW College Rd, Ocala, FL 34471
5	5590 SW College Rd, Ocala, FL 34471
6	5670 SW College Rd, Ocala, FL 34471
7	5501 SW College Rd, Ocala, FL 34471
8	5135 SW College Rd, Ocala, FL 34471
9	4747 SW College Rd, Ocala, FL 34471
10	4603 SW College Rd, Ocala, FL 34471
11	4421 SW College Rd, Ocala, FL 34471
12	5850 SW College Rd, Ocala, FL 34471
13	5850 SW College Rd, Ocala, FL 34471
14	5545 SW 80th St, Ocala, FL 34471
15	5545 SW 80th St, Ocala, FL 34471
16	5850 SW College Rd, Ocala, FL 34471
17	5850 SW College Rd, Ocala, FL 34471