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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20240033-EU

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.

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 24

COMMISSIONERS
PARTICIPATING: CHAIRMAN MIKE LA ROSA
COMMISSIONER ART GRAHAM
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY
COMMISSIONER GABRIELLA PASSIDOMO

DATE: Tuesday, June 18, 2024

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter and
Notary Public in and for
the State of Florida at Large

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

1 P R O C E E D I N G S

2 CHAIRMAN LA ROSA: So let's move to Item No.
3 24.

4 Ms. Kaymak, you are recognized when you are
5 ready.

6 MS. KAYMAK: Good morning, Commissioners,
7 Alara Kaymak with the Division of Economics.

8 Item 24 is a joint petition by the City of
9 Ocala and Sumter Electric Cooperative, or SECO,
10 requesting approval of the utility's proposed 2024
11 territorial agreement in Marion County.

12 Specifically, the joint petitioners seek to
13 make select territorial boundary changes, and to
14 transfer 52 customers from SECO to the City of
15 Ocala, and 17 customers from City of Ocala to SECO,
16 thereby correcting their inadvertent connections in
17 each of the utility's service territories.

18 The proposed agreement, if approved, would
19 have clarified the service territories for each
20 utility, enhance operational efficiencies and
21 improve customer service. It would also address
22 issues on uneconomic duplication of service
23 facilities, reduce potential hazardous situations,
24 and offer transfer of facilities where necessary
25 and appropriate.

1 The joint petitioners have notified the
2 affected customers, and they expect to coordinate
3 the transfer of customer -- of customers over a
4 36-month period upon Commission approval.

5 Staff recommends approval of this joint
6 petition. Thank you.

7 CHAIRMAN LA ROSA: Thank you.

8 Commissioners, are there questions or
9 discussion?

10 I know, Mr. May, you are here just to answer
11 questions, or is there something specifically you
12 would like to trees before we discuss?

13 MR. MAY: Mr. Chairman, just here to answer
14 questions. We support staff's recommendation.

15 CHAIRMAN LA ROSA: Thank you.

16 Commissioners, is there questions, thoughts on
17 Item No. 24.

18 Commissioner Fay, you are recognized.

19 COMMISSIONER FAY: Thank you, Mr. Chairman.

20 I just had a quick question for Mr. May. So I
21 know this is probably a difficult thing to bring in
22 for a landing. It sounds like it's been lingering
23 out there for a long time, and there is a lot of
24 give and take in the process.

25 It looked like from staff's work in discovery

1 that the response by you, as far as impact to
2 customers, would be that in the future there would
3 be no change or impact to customers other than the
4 changes that are presented. I recognize some
5 customers are going to one entity, which may raise
6 their bill, and others might go to the other
7 entity, which lowers their bill. But I just wanted
8 to confirm, from what I could decipher in the
9 record, that there is no future financial
10 obligation that those customers would be held to as
11 far as any additional costs that might occur in the
12 future?

13 MR. MAY: Thank you, Commissioner Fay. That's
14 correct. Both the City of Ocala and my client,
15 Sumter Electric Company, went to great lengths to
16 make sure that there would be no further customer
17 economic impact. There would be some economic
18 impact on customers who are transferred from one
19 utility to the other, but that's the extent of that
20 impact.

21 COMMISSIONER FAY: Okay. Great.

22 And you did give -- it looks like, from the
23 recommendation, you did give some consideration to
24 just fixing the lines, I guess for lack of better
25 description, just letting everybody sort of keep

1 what they have, but that was just something that
2 wasn't feasible, I guess, for the parties?

3 MR. MAY: There were two facets of this
4 territorial agreement, which, as you indicated, was
5 intensely negotiated, and it was balanced in an
6 effort to avoid a territorial dispute.

7 So the one facet of the territorial agreement
8 is to, where there was inadvertent service and
9 encroachments from one utility to another, where
10 there was a mixture of utility facilities, Ocala
11 and Sumter, there would be a transfer of customers
12 in those areas.

13 The other areas, where there was -- there were
14 encroachments, where there were no other facilities
15 of the other utility in the area, that would be --
16 and in those limited areas, there was a minor
17 redraw of the territorial boundaries to preserve
18 the -- to allow the customers to continue to
19 receive service from their existing serving
20 utility.

21 COMMISSIONER FAY: Okay. Great.

22 And one last question, Mr. Chairman.

23 CHAIRMAN LA ROSA: Sure.

24 COMMISSIONER FAY: I presume, from the
25 recommendation in the record, that you feel pretty

1 comfortable going forward that some of the upgrades
2 in technology, and the advancements with the
3 mapping, that we wouldn't see any further
4 confusion. I just imagine this is -- this might
5 not be the last sort of item that we see if other
6 territorial, you know, territorial disputes as to
7 maybe, quote/unquote, some encroachment has
8 occurred, that you are bringing forward a
9 resolution, I wouldn't want to discourage any
10 others from doing that. It sounds like once you
11 have done that, the adoption of the new mapping
12 would avoid any of that, is that fair?

13 MR. MAY: That's certainly the intent.
14 Obviously, there is always the -- kind of the
15 one-off situation, where something slips through
16 the crack. But with the enhanced geographic
17 information systems with both utilities, they are
18 able to, in realtime, when there is an application
19 for service to immediately determine whether that
20 customer is in that utility's service area. So you
21 don't -- it's certainly designed to avoid
22 inadvertent encroachments in the future, and we
23 don't anticipate any encroachments in the future.

24 COMMISSIONER FAY: Okay. Great. Yeah.

25 And I really do appreciate you being here to

1 answer these questions. We obviously don't
2 regulate much within the co-op or muni sector, but
3 when we do these territorial disputes or mapping,
4 it's pretty critical that we get them right to
5 avoid any sort of uneconomic, you know,
6 duplication. And so thank you for clarifying both
7 the impact to the customers, but also going forward
8 the hope that we will see this as unlikely maybe
9 event other than one-off.

10 MR. MAY: Thank you, Commissioner.

11 If I may make just one comment, that we really
12 appreciate the work of your staff. They were they
13 thorough and helpful in trying to bring this in for
14 a -- for a conclusion that I think is satisfactory
15 for both utilities and for the customers.

16 COMMISSIONER FAY: Anything that's been out
17 there this long like this can't be easy to bring in
18 for a landing, so I appreciate it.

19 Mr. Chairman, I will be ready to make a motion
20 unless there are any other comments.

21 CHAIRMAN LA ROSA: Commissioners, are there
22 any other questions?

23 We are ready.

24 COMMISSIONER FAY: Okay. With that, Mr.
25 Chairman, I would move that we approve staff

1 recommendation for all issues on Item No. 24.

2 COMMISSIONER GRAHAM: Second.

3 CHAIRMAN LA ROSA: Hearing a motion, and
4 hearing a second.

5 All those in favor signify by saying yay.

6 (Chorus of yays.)

7 CHAIRMAN LA ROSA: Yay.

8 Opposed no.

9 (No response.)

10 CHAIRMAN LA ROSA: Show that Item No. 24
11 passes.

12 Ms. Kaymak, did you know that you are sitting
13 next to the Employee of the Month?

14 MS. KAYMAK: No.

15 CHAIRMAN LA ROSA: Okay. I just wanted to
16 point that out.

17 All right. Is there any other further
18 business before us in the Agenda item -- or Agenda
19 meeting?

20 Okay. So, folks, I know we have a jammed kind
21 of packed day, and we are going to have Internal
22 Affairs next, so let's go ahead and start Internal
23 Affairs in 10 minutes. So if I am reading the
24 clock correctly, it will be at 10:30, and it will
25 be inside this room, not inside Internal Affairs

1 room. So just a heads-up, we are going to stick
2 around in here for the rest of the day. So at
3 10:30, Internal Affairs will start.

4 Seeing no further business before us, this
5 meeting is adjourned.

6 Thank you.

7 (Agenda item concluded.)

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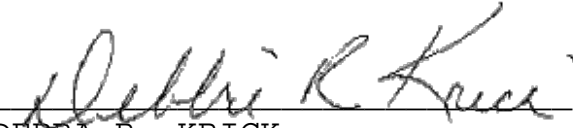
STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby
certify that the foregoing proceeding was heard at the
time and place herein stated.

IT IS FURTHER CERTIFIED that I
stenographically reported the said proceedings; that the
same has been transcribed under my direct supervision;
and that this transcript constitutes a true
transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative,
employee, attorney or counsel of any of the parties, nor
am I a relative or employee of any of the parties'
attorney or counsel connected with the action, nor am I
financially interested in the action.

DATED this 2nd day of July, 2024.


DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH31926
EXPIRES AUGUST 13, 2024