

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** March 01, 2007

**TO:** Director, Division of the Commission Clerk & Administrative Services (Bayó)

**FROM:** Office of the General Counsel (Brown)  
Division of Economic Regulation (Redemann, Rieger)

**RE:** Docket No. 060637-EU – Joint petition to approve territorial agreement in Highlands County between Glades Electric Cooperative, Inc. and Progress Energy Florida, Inc.

**AGENDA:** 03/13/07 – Regular Agenda – Proposed Agency Action - Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\GCL\WP\060637.RCM.DOC

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### Case Background

On September 20, 2006, Glades Electric Cooperative, Inc. (Glades) and Progress Energy Florida, Inc. (Progress) filed a joint petition for approval of a territorial agreement for Highlands County. As a result of the Commission's 1992 approval of Progress's (then known as Florida Power Corporation) purchase of Sebring Utilities Commission's (Sebring) assets,<sup>1</sup> Progress

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<sup>1</sup> See Order No. PSC-92-1468-FOF-EU, issued December 17, 1992, In Docket No. 920949-EU, In re: Joint Petition of Florida Power Corporation and Sebring Utilities Commission for Approval of Certain Matters in Connection with the Sale of Assets by Sebring Utilities Commission to Florida Power Corporation.

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assumed responsibility for Sebring's 1987 territorial agreement with Glades.<sup>2</sup> The proposed agreement supercedes the 1987 agreement and is appended to this recommendation as Attachment A.

This is staff's recommendation regarding the proposed territorial agreement. The Commission has jurisdiction over this matter pursuant to section 366.04, Florida Statutes.

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<sup>2</sup> See Order No. 18028, issued August 24, 1987, In Docket No. 870348-EU, In re: Petition of Glades Electric Cooperative Inc. and Sebring Utilities Commission for Approval of a territorial agreement.

### **Discussion of Issues**

**Issue 1:** Should the Commission approve the proposed territorial agreement between Glades Electric Cooperative, Inc. and Progress Energy Florida, Inc.?

**Recommendation:** Yes. The proposed territorial agreement between Glades Electric Cooperative, Inc. and Progress Energy Florida, Inc. is in the public interest and should be approved. The effective date of the agreement should be the date the Commission's order approving the agreement becomes final and no longer subject to judicial review. (Brown, Redemann, Rieger)

**Staff Analysis:** The proposed territorial agreement between Glades and Progress recognizes that the retail service areas of the parties are contiguous, and without an established territorial agreement defining their respective service territories duplication of service facilities would likely occur. The proposed agreement provides that the parties each have exclusive rights to furnish retail electric service inside their respective service territories and will not knowingly serve or attempt to serve new customers whose point of use is located within the service territory of the other party. The proposed agreement, with a term duration of twenty years, specifies that the effective date will be the date on which the final order of the Commission granting approval becomes no longer subject to judicial review.

The proposed agreement contemplates the transfer between the parties of six territorial areas. The territory descriptions of these areas are appended to this recommendation as Attachment B. Four of the areas will be transferred within eighteen months, three from Progress to Glades and one from Glades to Progress. In addition, there are two areas now temporarily being served by Glades that will be transferred to Progress when Progress can economically and effectively serve those areas.

Twelve customers served by Glades and six customers served by Progress -- referred to as extra-territorial customers -- are currently served by the utilities outside of the utilities' established territory. The proposed agreement provides for the transfer of these customers to the utility in whose territory such customers' end-use facilities are located as soon as practicable after the agreement's effective date. In addition to the extra-territorial customers, there are several other affected retail customers located in the two areas that Glades is temporarily serving until Progress is able to serve. All customers to be transferred have received written notification of the agreement between the parties.

In addition to the above, the proposed agreement specifies that when circumstances arise in the future, Glades and Progress may jointly petition to the Commission for approval to modify the territorial boundaries. Also, in those cases where economic constraints or good engineering practices indicate that service cannot be provided by the party in whose service territory the new customer's point of use is located, the other party may, at its sole discretion, agree in writing to provide temporary service to that customer. Temporary service lasting more than one year shall be submitted to the Commission for approval. If inadvertent service is provided to a customer whose point of use is within the service territory of the other party, service by the other party will be established at the earliest practical time. The inadvertent service will be deemed to be a temporary service as provided in accordance with the agreement.

The proposed agreement does not provide for reimbursement for loss of revenue associated with those customers to be served temporarily. For the identified extra territorial customers, the agreement does provide for compensation based on going concern value. Also the parties may elect to purchase the electric facilities used solely to provide electric service to those customers being transferred.

Pursuant to section 366.04(2)(d), Florida Statutes, the Commission has the jurisdiction to approve territorial agreements between and among rural electric cooperatives, municipal electric utilities, and other electric utilities. Rule 25.6.0440(2), Florida Administrative Code, provides that in approving territorial agreements, the Commission may consider the reasonableness of the purchase price of any facilities being transferred, the likelihood that the agreement will not cause a decrease in the reliability of electric service to existing or future ratepayers, and the likelihood that the agreement will eliminate existing or potential uneconomic duplication of facilities. Unless the Commission determines that the agreement will cause a detriment to the public interest, the agreement should be approved. Utilities Commission of the City of New Smyrna v. Florida Public Service Commission, 469 So. 2d 731 (Fla. 1985). In this instance, the territorial agreement proposed by Glades and Progress eliminates existing or potential uneconomic duplication of facilities, and it does not cause a decrease in the reliability of electric service to existing or future ratepayers.

Based on the above, staff recommends that the territorial agreement, contained in Attachment A to this recommendation, is in the public interest and should be approved.

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**Issue 2:** Should this Docket be closed?

**Recommendation:** If no person whose substantial interests are affected files a protest to the Commission's proposed agency action order within 21 days, the docket may be closed upon issuance of a consummating order. (Brown)

**Staff Analysis:** If no person whose substantial interests are affected files a protest to the Commission's proposed agency action order within 21 days, the docket may be closed upon issuance of a consummating order.

**TERRITORIAL AGREEMENT**

Section 0.1: Glades Electric Cooperative, Inc. (the "COOPERATIVE"), and Florida Power Corporation d/b/a Progress Energy Florida, Inc. (the "COMPANY") (collectively, the "Parties"), enter into this Territorial Agreement (the "Agreement") on this \_\_\_\_ day of \_\_\_\_\_, 2006.

**WITNESSETH:**

Section 0.2: WHEREAS, the COOPERATIVE is authorized by Chapter 425, Florida Statutes, to furnish retail electric service to its members and customers, and pursuant to such authority, presently furnishes electric service to members and customers in Highlands County and elsewhere;

Section 0.3: WHEREAS, the COMPANY is authorized to furnish retail electric service to customers throughout the State of Florida, and pursuant to such authority, presently furnishes electric service to customers in Highlands County and elsewhere;

Section 0.4: WHEREAS, the respective retail service areas of the Parties are contiguous, with the result that, absent the establishment of a territorial agreement defining the Parties' respective service territories, duplication of service facilities would be likely to occur;

Section 0.5: WHEREAS, the Florida Public Service Commission (the "Commission") has previously recognized that duplication of service facilities results in needless and wasteful expenditures and may create hazardous situations, both being detrimental to the public interest;

Section 0.6: WHEREAS, the Parties hereto desire to avoid and eliminate the circumstances giving rise to the aforesaid duplication of facilities and the resulting detriment to economic and safe operations and, to that end, have entered into this Agreement establishing a territorial boundary line that, upon approval by the Commission, will define and delineate their respective retail service territories in Highlands County; and

Section 0.7: WHEREAS, the Commission is empowered by the legislature of the State of Florida, pursuant to Section 366.04(2)(d), Florida Statutes, to approve territorial agreements and the Commission, as a matter of long-standing regulatory policy, has encouraged retail territorial agreements between electric utilities subject to its jurisdiction based on its findings that such agreements, when properly established and administered by the parties and actively supervised by the Commission, avoid uneconomic duplication of facilities, promote safe and efficient operations by utilities in rendering electric service provided to their customers, and therefore serve the public interest.

Section 0.8: NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, which shall be construed as being interdependent, the Parties hereby agree as follows:

**ARTICLE I  
DEFINITIONS**

Section 1.1: Territorial Boundary Line(s). As used herein, the term "Territorial Boundary Line(s)" shall mean the boundary line(s) depicted on the maps attached hereto as Exhibit A which delineate and differentiate the Parties' respective Service Territories in Highlands County.

Section 1.2: Cooperative Service Territory. As used herein, the term "Cooperative Service Territory" shall mean the geographic area in Highlands County allocated to the COOPERATIVE as its retail service territory and labeled as such or as "Glades" on the maps contained in Exhibit A.

Section 1.3: Company Service Territory. As used herein, the term "Company Service Territory" shall mean the geographic area in Highlands County allocated to the COMPANY as its retail service territory and labeled as such or as "PEF" on the maps contained in Exhibit A.

Section 1.4: Point of Use. As used herein, the term "Point of Use" shall mean the location within the Service Territory of a Party where a customer's end-use facilities consume electricity, which such Party shall be entitled to provide service under this Agreement, irrespective of where the customer's point of connection or metering is located.

Section 1.5: New Customers. As used herein, the term "New Customers" shall mean all end-use/individually-metered customers applying for retail electric service after the Effective Date of this Agreement at a Point of Use in the Service Territory 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 final order of the Commission granting approval of this Agreement in its entirety becomes no longer subject to judicial review.

Section 1.8: Extra-Territorial Customers. As used herein, the term "Extra-



Territorial Customers" shall mean those customers, other than the customers detailed in Section 2.3 of this Agreement, served by either Party on the Effective Date of this Agreement who are located within the Service Territory of the other Party due to modifications of the Territorial Boundary Lines established herein.

## **ARTICLE II RETAIL ELECTRIC SERVICE**

Section 2.1:    In General. Except as otherwise specifically provided herein, the COOPERATIVE shall have the exclusive authority to furnish retail electric service within the Cooperative Service Territory and the COMPANY shall have the exclusive authority to furnish retail electric service in the Company Service Territory. The Territorial Boundary Line shall not be altered or affected by any change that may occur in the corporate limits of any municipality served by either Party through annexation or otherwise unless agreed to in writing by the Parties and approved by the Commission.

Section 2.2:    Service to New Customers. The Parties agree that neither of them will knowingly serve or attempt to serve any New Customer whose Point of Use is located within the Service Territory of the other Party, except as specifically provided in Sections 2.3 and 3.4 below. However, in those instances where the Territorial Boundary Line traverses the property of an individual customer or prospective customer, the Party in whose Service Territory the preponderance of the customer's electric energy usage is expected to occur shall be entitled to serve all of the customer's usage.

Section 2.3:    Temporary Service. The Parties recognize that in exceptional circumstances, economic constraints or good engineering practices may indicate that a New

ATTACHMENT A

Customer's Point of Use either cannot or should not be immediately served by the Party in whose Service Territory such Point of Use is located. In such instances, upon written request by the Party in whose Service Territory the New Customer's Point of Use is located, the other Party may, in its sole discretion, agree in writing to temporarily provide service to such Point of Use until such time as the requesting Party provides written notice of its intent to serve the Point of Use. The other Party shall inform the customer of the temporary nature of such service. Any such agreement for temporary service which lasts, or is anticipated to last, for more than one year shall be submitted to the Commission for approval in accordance with Section 5.1 hereof. The Party providing temporary service hereunder shall not be required to pay the other Party for any loss of revenue associated with the provision of such temporary service.

Notwithstanding the provisions of this Section 2.3, however, the Parties recognize that economic constraints and good engineering practices presently indicate that the areas identified in Exhibit B hereto should continue to be served by the COOPERATIVE until such time that the COMPANY can economically and effectively serve those areas. The COOPERATIVE will continue to serve the areas identified in Exhibit B until the COMPANY provides written notice of its intent to serve those areas.

Section 2.4: 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 Service Territory 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, and shall refer the prospective New Customer to the other Party.

Section 2.5: Correction of Inadvertent Service Errors. If any situation is discovered during the term of this Agreement in which either Party is inadvertently providing retail electric service to a customer's Point of Use located within the Service Territory of the other Party, service to such customer by the other Party will be established at the earliest practical time. Until service by the other Party can be established, the service provided by the Party inadvertently serving the customer's Point of Use will be deemed to be temporary service provided in accordance with Section 2.3 above. The electric facilities of the transferring Party used solely to provide electric service to the Point of Use subject to such transfer may also be transferred, at the option of the other Party in return for compensation determined in accordance with Section 3.3.2 below. Any such transfer shall be completed within 12 months of the date the inadvertent service error is discovered.

**ARTICLE III  
TRANSFER OF CUSTOMERS**

Section 3.1: In General. In the event circumstances arise during the term of the Agreement in which the Parties agree that, based on sound economic considerations or good engineering practices, an area located in the Service Territory 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 Service Territory of the other Party and the transfer of the customers located in the Reallocated Area to the other Party. Compensation for such customers shall be paid by the receiving Party to the transferring Party in accordance with Section 3.3.1 below.

Section 3.1.1: Transfer of Extra-Territorial Customers. The Extra-Territorial Customers currently served by the COOPERATIVE and subject to transfer to the COMPANY pursuant to this Agreement are listed by account number and service address in Exhibit C hereto. The Extra-Territorial Customers currently served by the COMPANY and subject to transfer to the COOPERATIVE pursuant to this Agreement are listed by account number and service address in Exhibit D hereto. Section 3.3.1 of this Agreement shall apply to the transfer of the Extra-Territorial Customers except for the customers marked with an asterisk and marked in bold font in Exhibit C. The transfer of the Extra-Territorial Customers shall take place within 18 months of the final order approving this Agreement.

Section 3.2: Transfer of Facilities. In conjunction with the transfer of customers pursuant to Section 3.1 above, the receiving Party may elect to purchase the electric distribution facilities of the transferring Party used exclusively for providing electric service to customers located within the Reallocated Area for an amount determined in accordance with Section 3.3.2 below.

Section 3.3: Compensation for Transferred Customers and Facilities.

Section 3.3.1: Going Concern Value. The receiving Party shall pay to the transferring Party for each customer account transferred an amount equal to two and one-half (2.5) multiplied by (a) the transferring Party's total revenues from the sale of electric service (including the customer, fuel and demand charges but excluding taxes and fees) to such account during the most recent 12 complete billing months available at the time of

transfer, or (b) if service was provided for less than 12 complete billing months, the average monthly amount of such revenues multiplied by 12. In the case of a customer account that was not billed for any part of the preceding 12 billing months, the amount to be paid for the transfer of such account shall be the transferring Party's prevailing average annual amount of such revenues from customers of the same class (*i.e.*, residential, commercial, etc.), multiplied by 2.5. In addition, the same compensation methodology shall be followed for the total revenues (including pole rental and fixture maintenance charges) of each transferred street or security lighting account.

Section 3.3.2: Cost of Facilities. The receiving Party shall compensate the transferring Party for the electric distribution facilities described in Section 3.2 above in an amount based upon the replacement cost (new), less depreciation calculated on a straight-line basis over the life of each unit of property comprising the facilities, as determined from the books and records of the transferring Party at the time of the transfer, and the cost to the transferring Party for reintegration of its remaining system. Replacement costs shall be determined by applying a cost escalator such as the Handy Whitman Index or a common engineering cost estimation methodology.

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

Section 3.3.4: Transfer Instruments. The transferring Party will make, execute, and deliver to the receiving Party the appropriate instruments of transfer to convey the

transferring Party's interest in the electric distribution facilities transferred to the receiving Party pursuant to Section 3.2 above.

**ARTICLE IV  
OPERATION AND MAINTENANCE**

Section 4.1: Facilities to Remain. No generating plant, transmission line, substation, distribution line (other than expressly provided herein), 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 minimizes any interference with the operations of the other Party. To facilitate this objective, in the event either Party intends to construct, locate, or relocate its distribution facilities in or directly adjacent to the Service Territory of the other Party, such Party shall notify the other Party in writing at least 14 days prior to commencement of such intended action.

Section 4.2: COOPERATIVE Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of the COOPERATIVE to serve any COOPERATIVE facility located in the Company Service Territory which is used exclusively in connection with the COOPERATIVE's business as an electric utility; provided, however, that the COOPERATIVE shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of the COMPANY in the Company Service Territory, including notice to the COMPANY pursuant to Section 4.1.

Section 4.3: COMPANY Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of the COMPANY to serve any COMPANY facility located in the Cooperative Service Territory which is used exclusively in

connection with the COMPANY's business as an electric utility; provided, however, that the COMPANY shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of the COOPERATIVE in the Cooperative Service Territory, including notice to the COOPERATIVE pursuant to Section 4.1.

Section 4.4: Retail Service at Facility Sites. Where either Party serves any of its facilities located in the Service Territory 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 25 kW or less at any such site.

**ARTICLE V  
PREREQUISITE APPROVAL**

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

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

**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.

**ARTICLE VII  
CONSTRUCTION OF AGREEMENT**

Section 7.1: Other Electric Utilities. Nothing in this Agreement shall restrict or affect in any manner the right of either Party to define or establish its retail service area with respect to any other electric utility. The Parties understand that the COOPERATIVE or the COMPANY may, from time to time and subject to Commission approval, enter into territorial agreements with other electric utilities that have adjacent or overlapping service areas and that, in such event, nothing herein shall be construed to prevent the COOPERATIVE or the COMPANY from designating any portion of its Service Territory under this Agreement as the retail service area of such other electric utility.

Section 7.2: Bulk Power for Resale. Nothing herein shall be construed to prevent either Party from providing a bulk power supply for resale purposes, regardless of where the purchaser for resale may be located. Further, no other section or provision of this Agreement shall be construed as applying to a bulk power supply for resale purposes.

Section 7.3: 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 this State's policy of actively regulating and supervising the service territories of electric utilities; 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 confirmed facsimile transmittal, as follows:

ATTACHMENT A

To the COOPERATIVE:

Russell Henderson  
Board President

Glades Electric Cooperative, Inc.  
1190 Highway 27 East  
Moore Haven, Florida 33471  
PO Box 519  
Moore Haven, FL 33471

To the COMPANY:

Vincent Dolan  
Vice President, Regulatory &  
Customer Relations

Progress Energy Florida, Inc.  
100 Central Avenue  
St. Petersburg, Florida 33701  
P.O. Box 14042  
St. Petersburg, Florida 33733

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

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ATTACHMENT A

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.

PROGRESS ENERGY FLORIDA, INC.

ATTEST:

*John J. ...*  
Assistant Secretary

(SEAL)



By *[Signature]*  
Vice President

GLADES ELECTRIC COOPERATIVE, INC.

ATTEST:

PRESIDENT  
[title]

(SEAL)

By *Russell Hudson*  
[title]

**Progress Energy/Glades Electric Cooperative  
Territorial Agreement – Transfer Areas**

1. **Box Ranch** (Going from Progress to Glades) - Sections 13, 14, 23, 24, 25, 26, 34, 35, 36, Township 37 South, Range 28 East.
  - a. Box Ranch requires 3 phase power. The only three phase service that PEF currently has in the area runs down Placid View Drive to SR 70. In order for PEF to utilize this 3 phase feed, PEF would need to build 7 miles of 3 phase line heading west to Box Ranch, while under-building FPL and paralleling Glades on SR 70 (due to limited road right-of-way).
  
2. **West Josephine Road** (Going from Progress to Glades) - Sections 16,17,18 Township 36 South, Range 28 East.
  - a. These three sections are located at the end of West Josephine Road (small dirt road), in the area where Highlands, Hardee and DeSoto Counties meet.
  
3. **Farm Road** (Going from Progress to Glades) –
  - a. Section 25, Township 35 South and Range 29 East - Located on the south end of Farm Road, using Yellow Bluff Creek to the North and East Boundaries of Section 25, Township 35 South and Range 29 East.
  - b. Section 19, Township 35 South, Range 30 East – boundary located from the RR west and south – Located south of Pine-Dale Estates and would put the majority of Section 19 in GEC territory.
  - c. Southwest Section 20, Township 35 South, Range 30 East – boundary located from the RR west and south of Section 20. This would make all of Section 20, Township 35 South, and Range 30 East in GEC territory.
  
4. **Arbuckle Creek / Lake Istokpoga** (Going from Glades to Progress) - Section 12, Township 35 South, Range 30 East.
  - a. From Burke Road south to PEF territory. Burke Road will be the north boundary line and Oak View Dr. is the east boundary line.
  - b. GEC currently feeds this area from the east. PEF currently has facilities to the west, and cross over US 98, heading south. To avoid duplication of service, PEF will purchase existing GEC facilities in the Lake Istokpoga Park area and tie into their own existing facilities that run on the east side of Arbuckle Creek. The new facility-extension is approximately 1 mile of single phase power.
  
5. **Blinking light on curve** (Going from Glades to Progress) – Southeast  $\frac{1}{4}$  of Section 7 Township 35 South, Range 29 East. This is Northwest corner of the intersection of Sparta Road and Bassage Road. Glades has agreed to continue serving this area until such time PEF can efficiently and economically do so.

6. **Westby Ranch** (Going from Glades to Progress) – (Sections 31, 32, 33) Township 37 South, Range 29 East This is 2 miles west of Placid Lakes Blvd. on north side of State Road 70.
  - a. The accounts located off of SR 70 and east of Box Ranch is an area known as Westby Ranch. This area is 2 miles west of Placid Lakes Blvd., on the north side of SR 70.
  - b. Currently, Glades serves this area from the south with 3 phase power from their facilities located on SR70. PEF's closest 3 phase power is located 3 miles east on Placid View Dr. Westby Ranch is on private property and it would require easement acquisitions for PEF to serve the property which PEF will explore in the future. Glades has agreed to continue serving this area until such time PEF can efficiently and economically do so.