

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-

DATE: January 16, 2008

TO: Office of Commission Clerk (Cole)

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

RE: Docket No. 070669-EU – Joint petition for approval of territorial agreement in Bradford County by Clay Electric Cooperative, Inc. and City of Starke, Florida.

AGENDA: 01/29/08 – Regular Agenda – Proposed Agency Action - Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: McMurrian

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\GCL\WP\070669.RCM.DOC

Case Background

On October 31, 2007, Clay Electric Cooperative, Inc. (Clay) and the City of Starke, Florida (City) filed a joint petition for approval of a territorial agreement dated September 27, 2007. The petition indicated that the agreement has been entered into by the parties after lengthy deliberation and consideration of the best interests of their electric consumers and citizens of the areas served by both parties, and is intended to prevent uneconomic, costly and unnecessary duplication of electric facilities in the territorial areas covered by the agreement. This is the first territorial agreement that has been entered into between these two parties.

Docket No. 070669-EU

Date: January 16, 2008

This is staff's recommendation regarding the parties' joint petition for approval of the territorial agreement. The territorial agreement is appended to the recommendation as Attachment A. The Commission has jurisdiction over the matter pursuant to section 366.04, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission approve the joint petition for approval of the territorial agreement between Clay Electric Cooperative, Inc. and the City of Starke?

Recommendation: Yes. The joint petition for approval of the territorial agreement between Clay Electric Cooperative, Inc. and the City of Starke, appended to this recommendation as Attachment A, is in the public interest and should be approved. (Klancke, Redemann, Rieger)

Staff Analysis: As stated in the case background, the joint petition provides that the agreement between Clay and the City was entered into by the parties after lengthy deliberation and consideration of the best interests of their electric consumers and the citizens of the areas served by both parties. The agreement is intended to prevent uneconomic, costly and unnecessary duplication of electric facilities. No customers or facilities will be transferred between the parties as a result of the agreement. Acknowledging that any modifications, changes or amendments to the agreement must be approved by the Commission, the parties represent that the agreement will not cause a decrease in the reliability of electrical service and that it will likely eliminate uneconomic duplication of facilities. The petition provides that the agreement will also promote the Commission's stated policy of encouraging territorial agreements between and among Florida's electric utilities.

The agreement states that the parties desire to avoid duplications and possible hazards within the retail service areas in which they desire to operate. The parties have agreed upon territorial boundary lines in portions of the City of Starke and Bradford County. A geographic boundary description with maps are included with the territorial agreement in Attachment A. The petitioners noted that the boundary line does not close in two areas. In those two areas, another electric utility which is not a party to this agreement is providing electric service. The agreement did note that there is nothing intended to define, establish or affect in any manner the rights of either party relative to any other electric utility not a party to the agreement. The third party electric utility that provides service in the area is Florida Power & Light (FPL). Staff has been informed that FPL has been apprised of the territorial agreement currently being proposed between the City and Clay, and FPL does not object to it. The City is currently in the process of negotiating a territorial agreement with FPL.

Except in those cases where wholesale power service is intended for resale, and franchise agreements to serve retail customers occur, neither party shall serve any existing or new customers located in the territorial area of the other party. Although "any municipality" was included in the wording of the franchise portion of the agreement, the parties later clarified with staff that the party's intention with regard to this section was to include the phrase "the City" instead. The agreement recognizes that it may be necessary, under certain circumstances, to make arrangements for the joint use of service facilities. Also, an interim service provision has been included to address new customers that are best served by the other party until provisions are made for the switch to the utility who will provide the permanent service. In addition, existing and new facilities which are used in serving customers of either party shall be allowed in the territorial area of the other party.

The term of the agreement shall continue in effect for a period of twenty (20) years, starting with its effective date as of the Commission order granting final approval. Thereafter, the agreement can be automatically extended for succeeding periods of one (1) year each, and may also be cancelled with adequate notice before the beginning of any extension period. Although it is not clearly stated within the agreement, it should be noted that the Commission must approve any and all alterations, modifications, enlargements or supplements made to the agreement. Also, since no customers or equipment are to be traded as a result of the agreement, no reporting or monitoring is required.

Based on the above, staff recommends that the joint petition for approval of the territorial agreement between Clay Electric Cooperative, Inc. and the City of Starke, appended to the recommendation as Attachment A, is in the public interest and should be approved.

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. (Klancke)

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.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition for Approval)
of Territorial Agreement.) DOCKET NO.: 070669
Clay Electric Cooperative, Inc.,)
a Florida electric cooperative, and)
City of Starke, Florida, a municipal)
corporation)
Submitted for Filing:
_____)

**JOINT PETITION FOR
APPROVAL OF TERRITORIAL AGREEMENT**

Clay Electric Cooperative, Inc. ("CLAY") and City of Starke, Florida ("CITY") jointly petition the Commission for approval of a Territorial Agreement dated September 27, 2007 (the "Agreement") entered into by and between CLAY and CITY, and said Agreement is hereby submitted for approval.

1. The names and addresses of the parties are:

Clay Electric Cooperative, Inc.
Post Office Box 308
Keystone Heights, Florida 32656-0308
Attention: William C. Phillips, CEO and General Manager

and

City of Starke, Florida
Post Office Drawer C
Starke, Florida 32091
Attention: Ricky Thompson, Operations Manager

2. All notices and pleadings in connection with this matter are to be served upon the following counsel:

FOR CLAY ELECTRIC COOPERATIVE, INC.
John H. Haswell, Esquire
Post Office Box 23879
Gainesville, Florida 32602-3879
(352) 376-5226 telephone
(352) 372-8858 fax
clhpalaw@aol.com

DOCUMENT NUMBER-DATE

09899 OCT 31 6

FPSC-COMMISSION CLERK

Joint Petition for Approval of Territorial Agreement
Clay Electric Cooperative, Inc. and City of Starke, Florida
Page 2

FOR CITY OF STARKE, FLORIDA

Terence M. Brown, Esquire
Post Office Box 40
Starke, Florida 32091-0040
(904) 964-8272 telephone
(904) 964-3796 fax
info@brownandbroling.com

3. The Commission has jurisdiction pursuant to Florida Statutes §366.04(2)(d) to approve territorial agreements between electric cooperatives and municipal electric utilities. This Petition is filed pursuant to Chapter 25-6.0439 and Chapter 25-6.0440, Florida Administrative Code.

4. CLAY is an electric cooperative organized and existing under Chapter 425, Florida Statutes, and is an electric utility as defined in Florida Statutes §366.02(2). CITY is a municipal corporation organized and existing under the laws of the State of Florida, owns and operates its own electric utility system, and is an electric utility as defined in Florida Statutes §366.02(2).

5. CLAY and CITY have entered into a Territorial Agreement, subject to the Commission's approval, dated September 27, 2007, a copy of which Agreement is attached hereto as Exhibit 1 and which is incorporated herein by reference.

6. The Commission's approval of the Territorial Agreement is a condition precedent to the effectiveness of the Agreement.

7. This Agreement has been entered into by the parties after lengthy deliberation and consideration of the best interests of their electric consumers and the citizens of the areas served by both parties, and is intended to prevent uneconomic, costly and unnecessary duplication of electric facilities in the territorial areas covered by the

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Clay Electric Cooperative, Inc. and City of Starke, Florida
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Agreement. It is, therefore, the parties' position that this Territorial Agreement is in the best interests of the public.

8. Should the Commission approve the Territorial Agreement, no customers or facilities will be transferred between the parties.

9. The Territorial Agreement identifies the geographic boundary between the two utilities by maps attached to the Agreement as Exhibits A, B and C. Exhibit B is the general highway map of Bradford County, Florida, showing the territorial boundaries as required by Rule 25-6.0440(1)(f), and a more detailed map is shown on Exhibit A identifying the boundary lines and the city limits of CITY in greater detail. Exhibit C is a written description of the boundary line. The boundary line does not close in two areas, one on the northeastern side of the CITY limits (between points A and B) and one on the southwestern side of the CITY limits (between points C and D). The parties determined that in those two areas another electric utility, not a party to this agreement, is providing electric service.

10. Notice to the customers of the parties is not required since there will be no customers transferred as a consequence of the approval of this Agreement.

11. The parties recognize that upon approval of this Agreement, any modifications, changes or amendments must be approved by the Commission.

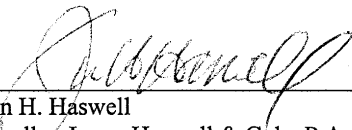
12. The parties represent that approval of this Agreement will not cause a decrease in the reliability of electrical service to the existing or future members of either utility, and there is a reasonable likelihood that this Agreement will eliminate

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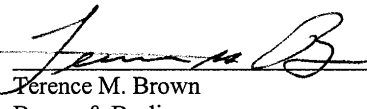
uneconomic duplication of facilities and will promote the Commission's stated policy of encouraging territorial agreements between and among Florida's electric utilities.

WHEREFORE, CLAY and CITY respectfully request that the Commission enter an order approving the Territorial Agreement between the parties dated September 27, 2007.

DATED this 26th day of October, 2007.



John H. Haswell
Chandler, Lang, Haswell & Cole, P.A.
Attorney for Clay Electric Cooperative, Inc.
Post Office Box 23879
Gainesville, Florida 32602-3879
(352) 376-5226 telephone
(352) 372-8858 fax



Terence M. Brown
Brown & Broling
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Starke, Florida 32091-0040
(904) 8272 telephone
(904) 964-3796 fax

AGREEMENT

THIS AGREEMENT, made and entered into this 27th day of September, 2007, by and between the CITY OF STARKE, FLORIDA, a municipal corporation organized and existing under the laws of the State of Florida (herein called "City") and CLAY ELECTRIC COOPERATIVE, INC., an electric cooperative existing under the laws of the State of Florida (herein called "CLAY"), collectively called the Parties;

WITNESSETH

WHEREAS, the CITY and CLAY are both authorized and empowered to provide retail electric service to persons, firms and corporations, public and private, within the State of Florida, and pursuant to such authority presently furnish electricity and power to Customers both inside and outside of the corporate limits of THE CITY OF STARKE; and

WHEREAS, the Florida Public Service Commission (FPSC) has previously recognized that any duplication of said facilities by the parties results in needless and wasteful expenditures, may create hazardous situations, and fails to provide the most economical and cost effective service to the utility consumer, these being detrimental to the public interest; and

WHEREAS, the FPSC is empowered by Section 366.04, Florida Statutes, to approve territorial agreements and resolve territorial disputes; and

WHEREAS, the Parties hereto desire to avoid duplications and possible hazards, and to that end desire to operate within delineated retail service areas; and

WHEREAS, in order to delineate said retail service areas, the Parties have agreed upon territorial boundary lines in portions of the City of Starke and Bradford County, to define and delineate the retail service areas between the parties in the City of Starke and Bradford County; as described herein; and

WHEREAS, the Parties agree that the terms and conditions set forth in this Agreement are in the interest of both Parties and in the public interest in avoiding the unnecessary and uneconomic duplication of electric facilities; and

WHEREAS, the Parties have agreed to recommend this Agreement in its entirety to the FPSC;

NOW, THEREFORE, in fulfillment of the purposes and desires aforesaid, and to serve the public interest, and in consideration of the mutual covenants and

agreements herein contained, which shall be construed as being interdependent, the parties do hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Clay Territorial Area – the geographic area shown on the map labeled Exhibit "A" lying outside the areas bounded by the line identified as the "Clay/City Electric Service Boundary", together with all adjacent areas that do not comprise territorial areas of other electric suppliers not party to this Agreement. Exhibit "A" is attached hereto and by reference made a part hereof.

Section 1.2 City Territorial Area – the geographic area shown on the map labeled Exhibit "A" lying within the areas bounded by the line identified as the "Clay/City Electric Service Boundary", labeled "City", and not otherwise included in the territorial areas of other electric suppliers not party to this Agreement.

Section 1.3 Areas Served by Other Utilities – The Clay/City Boundary line provided herein intersects areas where Clay and/or the City do not have electric lines and/or customers and are excluded from this agreement. These areas are designated on Exhibit "A" by points "A" and "B" and points "C" and "D."

Section 1.4 Distribution Lines – all electric lines of either Party having a rating up to but not including 69 kV.

Section 1.5 Transmission Lines – all electric lines of either Party having a rating of 69 kV or above.

Section 1.6 Customers – Customer or Consumer of either Party.

Section 1.7 Service Facilities – shall include but not be limited to: substations, poles, wires, cables, lighting equipment, meters, transformers, capacitors, switchgear, monitoring and control devices, together with related equipment, facilities and property rights, used solely or useful solely in furnishing electricity to Customers.

Section 1.8 Joint Use – the sharing of transmission and/or distribution facilities in areas where extension of facilities separately by the parties would create duplication of facilities and increased costs to Customers.

ARTICLE II
AREA ALLOCATIONS AND NEW CUSTOMERS

Section 2.1 Allocations – The Clay Territorial Area, as herein defined, is hereby allocated to CLAY as its retail service area for the term of this Agreement; and the City Territorial Area, as herein defined, is hereby allocated to the City as its retail service area for the term of this Agreement. Except as otherwise specifically provided herein, neither party shall deliver retail electric service across the Clay/City Electric Service Boundary Line or within the territorial area of the other.

Section 2.2 New Customers – Each party shall have the right and the responsibility to provide retail electric service to all Customers within its respective Territorial Area. Neither party shall hereafter serve or offer to serve any existing nor new Customer located in the territorial area of the other Party except as provided below.

Section 2.3 Interim Service – When either Party entitled to serve a new Customer determines that such new Customer would be best served on an interim basis by the other Party, such Party may, at its discretion, request the other Party to provide such service. The request shall be made in writing and the other Party shall, within ten (10) days, submit a written reply indicating its decision to accept or decline the request. If the request to supply Interim Service is accepted, the Party providing Interim Service shall serve the new Customer in the same manner as if it were providing service on a permanent basis. At such time as the requesting party is prepared to serve such Customer, it shall so notify the Party serving that Customer. The Customer and associated Service Facilities shall then be transferred to the requesting party. Prior to service being provided such Customer will be given notice by the Party providing Interim Service that the service being extended is of an interim nature and that the service will be switched to the Party who will provide permanent service as soon as practical.

ARTICLE III
OPERATION AND MAINTENANCE

Section 3.1 Joint Use – The Parties recognize that it may be necessary, under certain circumstances and in order to carry out this Agreement, to make arrangements for the Joint Use of Service Facilities, in which event such arrangements shall be made by separate instruments incorporating standard engineering practices and providing proper clearances with respect thereto.

Section 3.2 Facilities to Remain – All electric generating plants, transmission lines, substations, distribution lines and related Service Facilities now or

hereafter constructed and/or used by either party in conjunction with its respective electric utility systems, and which are directly or indirectly used or useful in serving Customers of either party shall be allowed to remain where situated and shall not be subject to removal hereunder; PROVIDED, HOWEVER, that each party shall operate and maintain said lines and facilities in such a manner as to minimize any interference with the operations of the other party.

Section 3.3 Express Distribution Feeders – Either Party may maintain, operate and/or erect new Express Distribution Feeders in the Territorial Area of the other Party, provided, however, that the Party shall construct, operate and maintain said Express Distribution Feeders in a manner so as to minimize any interference with the operation of the other Party's facilities.

Section 3.4 Facilities to be Served – Nothing herein shall be construed to prevent or in any way inhibit the right and authority of either Party to serve any of its facilities now or hereafter constructed located in the other Party's Territorial Area, which facility is used in connection with that Party's business as an electric, water, wastewater, natural gas or telecommunications utility, where such service is feasible and does not in any way interfere with or hinder the other Party from serving other customers within their service area in a reliable and cost effective way.

ARTICLE IV POWER SUPPLY FOR RESALE AND FRANCHISES

Section 4.1 Power Supply for Resale – Nothing herein shall be construed to prevent or in any way inhibit the right and authority of either Party to provide wholesale power for resale purposes.

Section 4.2 Franchises – Either party may provide electric service to retail Customers, under a Franchise Agreement, within the boundaries of any municipality.

ARTICLE V PREREQUISITE APPROVALS

Section 5.1 Florida Public Service Commission – The provisions of this Agreement are subject to the regulatory authority of the Florida Public Service Commission, and appropriate approval by that body of the provisions of this Agreement shall be a prerequisite to the validity hereof. The CITY and CLAY agree to promptly submit this Agreement to the FPSC and to request its interim and formal approval thereof. This Agreement shall be binding upon both parties when formal approval is received.

ARTICLE VI
TERM OF AGREEMENT

Section 6.1 – The term of this Agreement shall commence on the effective date of this Agreement and shall continue in effect for a period of twenty (20) years. The effective date of this agreement shall be the date of the FPSC's order granting final approval of this Agreement. Thereafter this Agreement shall be automatically extended for succeeding periods of one (1) year each. The Agreement may be cancelled by either party upon written notice provided to the other party at least twelve (12) months before the beginning of any extension period.

ARTICLE VII
MISCELLANEOUS

Section 7.1 Negotiations – Regardless of the terms or conditions which may have been discussed during the negotiations leading up to the execution of this Agreement, the only conditions agreed upon are those set forth herein, and no alterations, modification, enlargement or supplement to this Agreement shall be binding upon either of the parties hereto unless the same shall be in writing and hereto attached and signed by both parties. Furthermore, this Agreement shall supersede any and all territorial agreements previously entered into by the Parties.

Section 7.2 - 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 with respect to the furnishing of retail electric service including but not limited to the service territory of either party hereto relative to the service territory of any other electric utility not a party to this Agreement.

Section 7.3 Third Parties, 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 hereto any rights, remedy or claim under or by reason of this Agreement or any provisions 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 hereto and their respective representatives, successors, and assigns.

Section 7.4 Notices – Notices given hereunder shall be deemed to have given to the CITY if sent by U.S. Mail postage prepaid, by courier, or by hand deliver to:

City of Starke
209 N. Thompson Street
Starke, FL 32091

And to CLAY if sent by U.S. Mail postage prepaid, by courier, or by hand delivery to:

General Manager
Clay Electric Cooperative, Inc.
P.O. Box 308
Keystone Heights, Florida 32656

Such address to which such notice shall be mailed may at any time be changed by designating such new address and giving notice thereof in writing in the manner as herein provided.

ARTICLE X

Section 10.1 IN WITNESS WHEREOF, this Agreement has been caused to be executed in duplicate by the CITY in its name by its Mayor, duly authorized by the City Commission on the 4th day of 09, 2007, and its corporate seal hereto affixed and attested by the Clerk of the Commission, and by CLAY in its name by its President, and its corporate seal hereto affixed and attested by its Secretary, on the day and year first above written; and one of said duplicate copies has been delivered to each of the parties hereto.

CITY OF STARKE

BY: Carolyn B. Spooner
Mayor

Carolyn B. Spooner

DATE: September 4, 2007

ATTEST:

Linda W. Johns
Clerk of the Commission
Linda W. Johns

Approved as to form and legality

Terence M. Brown
Attorney, City of Starke
Terence M. Brown

CLAY ELECTRIC COOPERATIVE INC.

BY: Robert S. Mullin
President

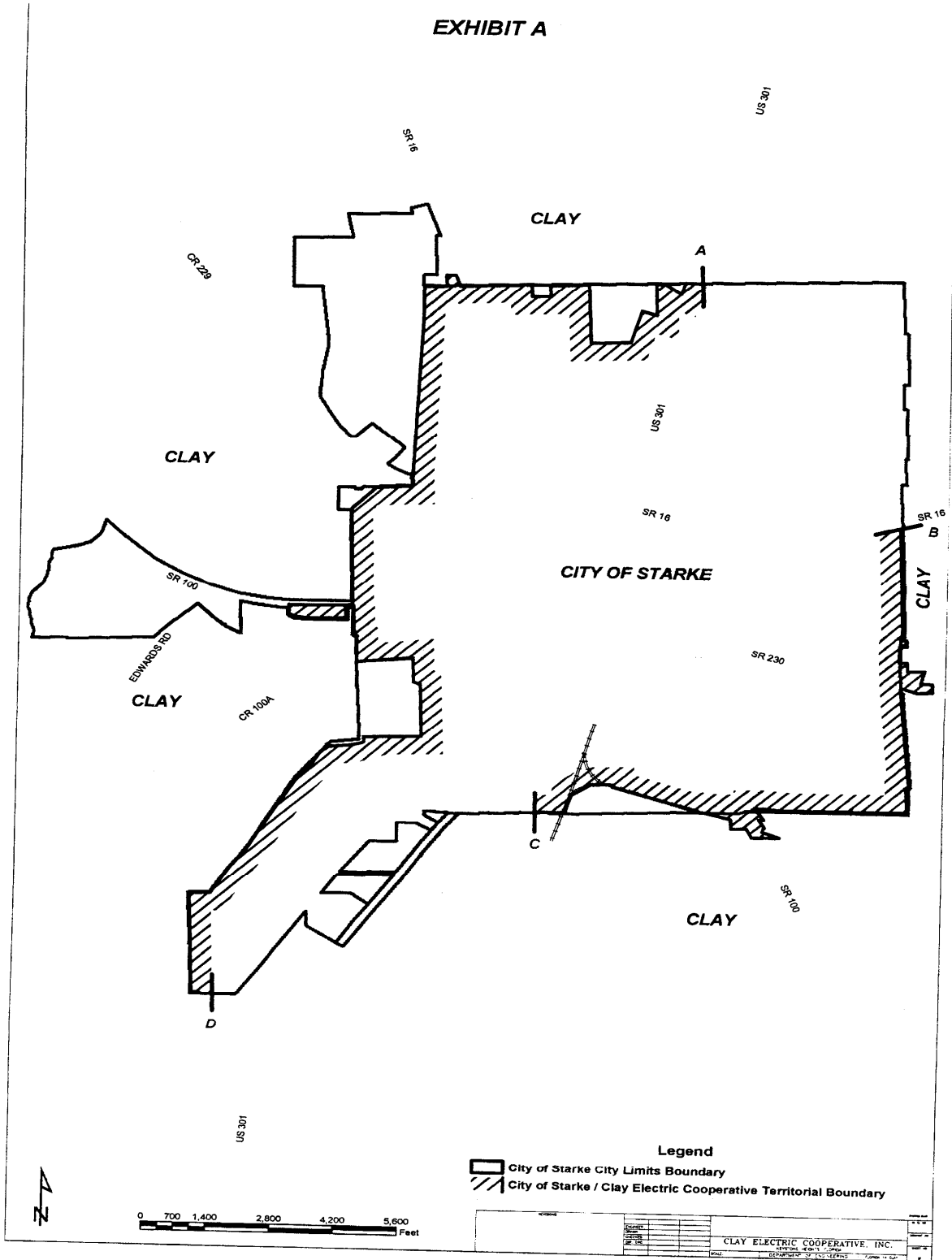
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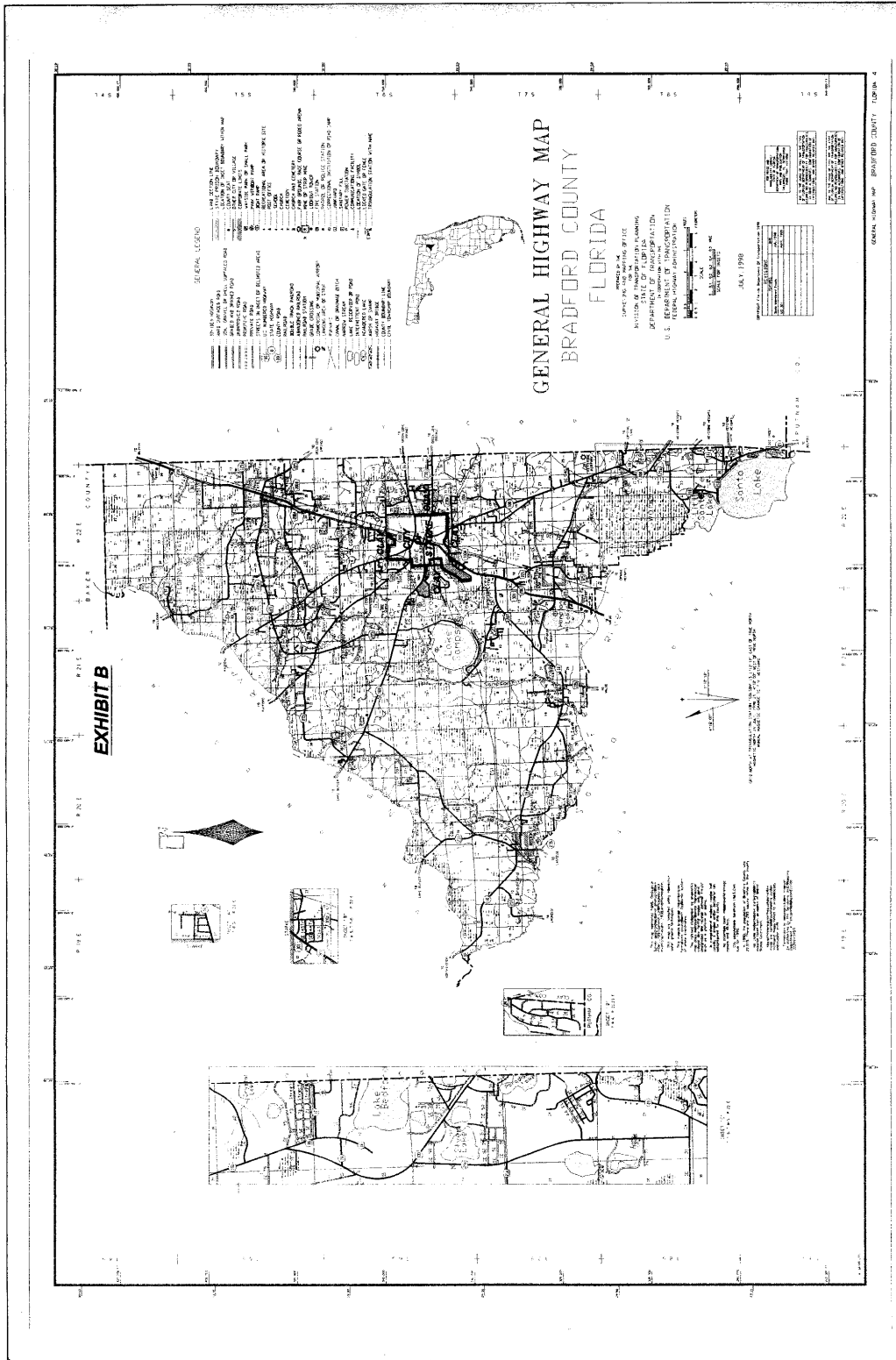
ATTEST:

Theresa L. Quinn
Secretary

Approved as to form and legality

John A. Samuel
Legal Counsel to Clay Electric Cooperative, Inc.





**Description of the Territorial Agreement Line Between
Clay Electric Cooperative, Inc. and the City of Starke, Florida
for the Westerly and Northerly Sides of Starke, Florida**

The following described line is the territorial agreement line between Clay Electric Cooperative, Inc. and the City of Starke, Florida as this agreement pertains to the westerly and northerly sides of the City of Starke. The lands on the westerly and northerly sides of this described line are the service area of Clay Electric Cooperative, Inc. The lands on the easterly and southerly sides of this described line are the service area of the City of Starke.

Begin this territorial agreement line at the southwest corner of the northeast one-quarter (NE ¼) of Section 6, Township 7 South, Range 22 East, Bradford County, Florida and thence northerly along the west line of said northeast one-quarter (NE ¼) approximately 2600 feet to the centerline of Alligator Creek; thence northeasterly along the centerline of Alligator Creek through Section 31 and into Section 32, both in Township 6 South, Range 22 East, to the south line of the northeast one-quarter of the northwest one-quarter (NE ¼ of NW ¼) of said Section 32; thence easterly along said south line to the southeast corner of the northeast one-quarter of the northwest one-quarter (NE ¼ of NW ¼) of said section 32; thence northerly along the east line of said northeast one-quarter of the northwest one-quarter (NE ¼ of NW ¼) (said line also being the dividing line between those properties described in OR Book 234, page 319 and OR Book 324, page 209 of the public records of Bradford County, Florida) and a northerly projection thereof to the north right of way line of County Road 100A (Edwards Loop Road); thence westerly along said north right of way line to the west line of the southwest one-quarter of the southeast one-quarter (SW ¼ of the SE ¼) of Section 29, Township 6 South, Range 22 East (said line also being the dividing line between those properties described in OR Book 788, page 426 and Deed Book 72, page 419 of the public records of Bradford County, Florida); thence northerly along said west line to the north right of way line of the CSX Railroad (formerly the Peggy Line Railroad); thence westerly along said north right of way line to the east line of the southwest one-quarter of the southwest one-quarter (SW ¼ of the SW ¼) of said section 29; thence northerly along said east line between those parcels described in OR Book 749, page 411 and OR Book 33, page 501 of said public records to the south right of way line of Butler Road (SW 155th St.); thence northerly to the intersection of the north right of way line of said Butler Road and the west line of the northeast one-quarter of the southwest one-quarter (NE ¼ of the SW ¼) of said Section 29; thence northerly along said west line to the south right of way line of State Road 100 (West Madison Street); thence westerly along said south right of way line one hundred feet more or less to the northeast corner of that property described in OR Book 803, page 41 of said public records, said property commonly known as Pine Forest Apartments; thence counterclockwise around those properties described in said OR Book 803, page 41 and in OR Book 803, page 45 in a southerly, westerly and northwesterly direction into Section 30; thence continue northwesterly and northerly to the south right of way line of said State Road 100; thence easterly along said south right of way line into said Section 29 a distance of 1,490 feet, more or less, to

Exhibit C

the southerly prolongation of the west line of the northeast one-quarter of the southwest one-quarter (NE $\frac{1}{4}$ of the SW $\frac{1}{4}$) as located on the north side of State Road 100; thence northerly along said west line to the south line of the northwest one-quarter (NW $\frac{1}{4}$) of said Section 29; thence northerly along the east line of the west one-half of said northwest one-quarter (W $\frac{1}{2}$ of the NW $\frac{1}{4}$) to a point 750.00 feet south of the north line of said northwest one-quarter NW $\frac{1}{4}$; thence northeasterly along the southeasterly line of that parcel described in OR Book 826, page 260, Parcel 2 to the north line of the northwest one-quarter (NW $\frac{1}{4}$) of said Section 29; thence easterly along said north line to the northeast corner of the northwest one-quarter (NW $\frac{1}{4}$) of said Section 29, said northeast corner also being the southeast corner of the southwest one-quarter (SW $\frac{1}{4}$) of Section 20, Township 6 South, Range 22 East; thence northerly along the east line of the southwest one-quarter (NW $\frac{1}{4}$) of said Section 20 and along the east line of the northwest one-quarter (NW $\frac{1}{4}$) of said Section 20 to the north line of said Section 20 also being the south line of Section 17, Township 6 South, Range 22 East; thence easterly along said south line of Section 17 to a point approximately 250 feet west of the west right of way line of State Road 16, said point also being the southwest corner of that property described in OR Book 1067, page 151; thence northerly along the west line of said property to the north line of said property; thence easterly along said north line to the west right of way line of State Road 16; thence southeasterly along said right of way line to the north line of said Section 20; thence easterly along the north line of said Section 20 to the southerly right of way line of NW 173rd St. (Market Road); thence southeasterly along said right of way line to the west line of Section 21, Township 6 South, Range 22 East; thence southerly along said west line to the southwest corner of that property described in OR Book 1209, Page 140; thence easterly to the east line of said property; thence northerly along said east line to the south right of way line of said NW 173rd St.; thence easterly along said south right of way line to the west line of the northeast one-quarter of the northwest one-quarter (NE $\frac{1}{4}$ of the NW $\frac{1}{4}$) of said Section 21; thence southerly along said west line and along the west line of the southeast one-quarter of said northwest one-quarter (SE $\frac{1}{4}$ of the NW $\frac{1}{4}$) to the south line of that property described in OR Book 906, page 433; thence easterly along said south line to the west line of the east one-half of Block 3 South, Range 4 West of Simon J. Temple's Subdivision of Lands at Temple's Mill as per plat recorded in Deed Book "C", page 424 of the public records of Bradford County, Florida; thence northeasterly along said west line and along the west line of the east one-half of Block 2 South, Range 4 West of said subdivision to the south line of Block 1 South of said subdivision; thence southeasterly along the south line of said Block 1 South to the east line of the northeast one-quarter of the northwest one-quarter (NE $\frac{1}{4}$ of the NW $\frac{1}{4}$) of said Section 21; thence northerly along said east line to the south right of way line of said NW 173rd St. (Market Rd.); thence easterly and southeasterly along said south right of way line to a southerly projection of the east line of the southwest one-quarter of Block 1 North, Range 3 West of said Simon J. Temple's subdivision; thence northeasterly along said east line to the north line of said Section 21; thence east along said north line 100 feet to the end this territorial agreement line.

Description of the Territorial Agreement Line Between Clay Electric Cooperative, Inc. and the City of Starke, Florida for the Easterly and Southerly Sides of Starke, Florida

The following described line is the territorial agreement line between Clay Electric Cooperative, Inc. and the City of Starke, Florida as this agreement pertains to the easterly and southerly sides of the City of Starke. The lands on the easterly and southerly sides of this described line are the service area of Clay Electric Cooperative, Inc. The lands on the westerly and northerly sides of this described line are the service area of the City of Starke.

Begin this territorial agreement line at the intersection of the south right of way line of State Road 16 and the west line of the northeast one-quarter (NE 1/4) of Section 27, Township 6 South, Range 22 East, Bradford County, Florida; thence south along said west line and along the west line of the southeast one-quarter (SE 1/4) of said Section 27 to the south right of way line of NE 154th Street; thence east along said right of way line to the west line of that property described in OR Book 769, page 245; thence south along said west line to the southwest corner of said property; thence west along a west prolongation of that property to the east right of way line of Valley Road; thence south along said east right of way to the north line of that property described in OR Book 824, page 283; thence easterly along said north line to the west line of said property; thence south along said west line to the north line of that property described on OR Book 9, page 405; thence east along said north line and along the north line of that property described in OR Book 1201, page 170 to the west line of that property described in OR Book 1152, page 268; thence southerly along said west line and a southerly prolongation thereof to the south right of way line of State Road 230; thence easterly along said south right of way line into Section 34, Township 6 South, Range 22 East to the east line of that property described in OR Book 902, page 303; thence south along said east line to the south line of said property; thence west along said south line and along the south line of that property described in OR Book 7, page 17 to the north right of way line of SE 150th Street (Wilson Road); thence westerly along said north right of way line to the west line of the northwest one-quarter (NW 1/4) of said Section 32; thence south along said west line to the north right of way line of Geiger Road; thence southwest to the intersection of the south right of way line of said Geiger Road and the west right of way line of SE 26th Avenue, thence south along said west right of way line to the north line of the south one-half of the northeast one-quarter of the southwest one-quarter (S 1/2 of the NE 1/4 of the SW 1/4) of said Section 32; thence west along said north line and along the north line of the south one-half of the northwest one-quarter of the southwest one-quarter (S 1/2 of the NW 1/4 of the SW 1/4) of said Section 32 to the east line of Section 33, Township 6 South, Range 22 East; thence westerly along the north line of Tax Parcel No. 04451-0-00100 to the westerly most line of said parcel; thence southerly along said most westerly line to the easterly most line of Tax Parcel No. 04451-0-00500; thence southeasterly along said line to the north line of Tax Parcel No. 04451-0-00600; thence west along said line to the northeast line of Tax Parcel No. 04451-0-00400; thence southeast along said line to the southeast corner of said parcel;

thence southwesterly along the southeast line of said parcel and along a southwesterly prolongation thereof to the south right of way line of the CSX Railroad (spur); thence southeast along said right of way line to the north right of way line of County Road 100-A; thence west along said right of way line to the east right of way line of State Road 100; thence northerly along said line to an easterly prolongation of the south line of Tax Parcel No. 04453-0-00000 (OR Book 824, page 413); thence west along said prolongation and along the south line of said parcel to the west line of said parcel; thence northerly along said west line and a northerly prolongation thereof to the north right of way line of the CSX Railroad (spur); thence northwesterly along said right of way line to the south line of the north one-quarter of the south one-half (N1/4 of the S 1/2) of said Section 33; thence west along said south line to the south right of way line of the CSX Railroad (spur); thence westerly along said right of way line to the east right of way line of the CSX Railroad main track; thence southerly along said east right of way line to the south line of the north one-quarter of the south one-half (N1/4 of the S 1/2) of said Section 33; thence west along said south line to the west line of said Section 33 and the end this territorial agreement line.