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 February 4, 2014

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Item 1

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 23, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Office of Telecommunications (C. Beard) *CJB*
Office of the General Counsel (S. Hopkins) *smh AT*

RE: Application for certificate to provide local telecommunications service by Vitcom, LLC

AGENDA: 2/4/2014 - Consent Agenda - Proposed Agency Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

Please place the following Application for Certificate of Authority to Provide Telecommunications Service on the consent agenda for approval.

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>	<u>CERT. NO.</u>
130268-TX	Vitcom, LLC	8856

The Commission is vested with jurisdiction in this matter pursuant to Section 364.335, Florida Statutes. Pursuant to Section 364.336, Florida Statutes, certificate holders must pay a minimum annual Regulatory Assessment Fee if the certificate is active during any portion of the calendar year. A Regulatory Assessment Fee Return Notice will be mailed each December to the entity listed above for payment by January 30.

Item 2

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

RECEIVED-FPSC
14 JAN 23 AM 10:51
COMMISSION
CLERK

DATE: January 23, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Office of the General Counsel (Tan) *AT TW*
Division of Economics (King) *2 ED RR J.W.D.*

RE: Docket No. 120275-EI – Formal petition of complaint against Tampa Electric Company, for discrimination against customers in their Energy Planner program, by Curtis Brown.

Docket No. 130064-EI – Formal petition of complaint against Tampa Electric Company, for violation of Commission Rule 25-6.100 regarding billing, by Curtis Brown.

AGENDA: 02/04/14 – Regular Agenda – Proposed Agency Action for Issue 2 – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Brown (120275-EI)
Balbis (130064-EI)

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Docket No. 120275-EI – Formal petition of complaint against Tampa Electric Company, for discrimination against customers in their Energy Planner program, by Curtis Brown.

On June 4, 2012, Mr. Curtis Brown opened complaint #1066179E against Tampa Electric Company (TECO). After moving to a new address, Mr. Brown alleged that he attempted to

continue the Energy Planner Program¹ that he participated in at his previous address but was denied. Mr. Brown was informed that the Energy Planner Program was not compatible with his new housing type, a multi-family dwelling, and therefore not available to him. Mr. Brown argued that the Energy Planner Program should be available to customers in multi-family dwellings. During the complaint process, Mr. Brown was informed that TECO was testing a replacement technology that would accommodate multi-family dwellings, which was anticipated to be available in August or September of 2012. TECO placed Mr. Brown on a priority list for installation of the Energy Planner Program once available. On June 28, 2012, complaint #1066179E was closed by staff upon mailing of a resolution letter.

On October 29, 2012, Mr. Brown filed a one-page petition, requesting a docket be opened against TECO for discrimination against customers in their Energy Planner Program. He stated that the Energy Planner Program is available only to customers with single family dwellings. Mr. Brown argued that the ability to conserve energy and to save money on electricity bills should be made available equally to all customers.

On November 16, 2012, TECO filed a letter acknowledging Mr. Brown's October filing, stating that the company continues to work with Mr. Brown regarding the application of the Energy Planner Program to multi-family dwellings. On April 11, 2013, staff held a conference call with Mr. Brown and representatives from TECO to discuss both dockets.

On June 26, 2013, TECO stated in a letter that the company successfully installed the Energy Planner Program at Mr. Brown's residence. On August 27, 2013, staff sent an email and a letter to Mr. Brown (Attachment A) requesting confirmation of the successful installation of the Energy Planner Program at his dwelling and inquiring if his complaint may be closed. To date, Mr. Brown has not responded to staff.

Docket No. 130064-EI - Formal petition of complaint against Tampa Electric Company, for violation of Commission Rule 25-6.100, F.A.C. regarding billing, by Curtis Brown.

On March 18, 2013, Mr. Brown filed a one page letter requesting a new docket be opened to address TECO's alleged violation of Rule 25-6.100, Florida Administrative Code (F.A.C.). Mr. Brown argues that the rule requires that customers' bills list the locations where surcharge-free payments can be made by customers.

On March 21, 2013, TECO filed a response to Mr. Brown's petition. TECO argues that Mr. Brown misinterpreted Rule 25-6.100, F.A.C., and that the rule only requires utilities to include toll-free numbers that customers can call to obtain bill pay locations, not the actual locations. TECO stated that its bills identify payment options which include Customer Care toll-free numbers that provide a listing of payment locations upon request. The payment location information includes locations where no surcharge is applicable.

¹ The Commission approved the Energy Planner Program as a pilot program by Order No. PSC-05-0181-PAA-EG, issued February 16, 2005, in Docket No. 040033-EG, In re: Petition for approval of numeric conservation goals by Tampa Electric Company and approved the program as a permanent program by Order No. PSC-07-0740-TRF-EG, issued September 17, 2007, in Docket No. 070056-EG, In re: Petition for approval of extension and permanent status of price responsive load management pilot program, by Tampa Electric Company.

Docket Nos. 120275-EI, 130064-EI

Date: January 23, 2014

In staff's August 27, 2013, letter and email, staff also addressed Mr. Brown's allegation of TECO's violation of Rule 25-6.100, F.A.C. Staff stated in the letter that it did not believe that TECO was in violation of the rule. Staff requested a response if there were any further issues to address in the docket. Staff has not received any response to date.

The Commission has jurisdiction over this matter pursuant to Chapter 366, Florida Statutes (F.S.). The Commission handles consumer complaints pursuant to Rule 25-22.032, F.A.C., and formal complaints pursuant to Rule 25-22.036, F.A.C.

Discussion of Issues

Issue 1: Should Mr. Brown's complaint in Docket No. 120275-EI be dismissed on the Commission's own motion?

Recommendation: Yes. Mr. Brown's request to obtain the Energy Planner Program at his multi-family dwelling has been accommodated by TECO. Therefore Mr. Brown's complaint is moot and should be dismissed on the Commission's own motion. (Tan, King)

Staff Analysis: On October 29, 2012, Mr. Brown alleged discrimination because he was unable to transfer his participation in the Energy Planner Program when he moved his residence from a single family dwelling to a multi-family dwelling. Mr. Brown expressed a desire to continue with the Energy Planner Program and asked that the program be expanded to multi-family dwellings.

At the time, the Energy Planner Program was not available to multi-family dwellings due to technological constraints. After learning of Mr. Brown's interest in the Energy Planner Program, TECO agreed to expand the program and began to make the software changes necessary to accommodate multi-family dwellings. TECO worked with Mr. Brown to install the Energy Planner Program at his residence. Staff notes that TECO has been very cooperative regarding the expansion of the Energy Planner Program.

On June 26, 2013, TECO filed a letter stating that the system had been successfully installed at Mr. Brown's residence. Since Mr. Brown had not contacted staff following the installation of the Energy Planner Program, staff sent an email and a letter inquiring whether the docket may be closed due to successful resolution of his concerns. To date, Mr. Brown has not responded to either staff's August 27, 2013, email or letter. Therefore, as Mr. Brown is participating in the Energy Planner Program, staff believes Mr. Brown's complaint is moot and should be dismissed on the Commission's own motion.

Issue 2: Did TECO violate Rule 25-6.100, F.A.C., as alleged by Mr. Brown's petition in Docket No. 130064-EI?

Recommendation: No. TECO did not violate Rule 25-6.100, F.A.C., as alleged by Mr. Brown and no further Commission action is required. (Tan, King)

Staff Analysis: Mr. Brown alleged that TECO was in violation of Rule 25-6.100, F.A.C., by failing to list surcharge-free payment locations on its customers' bills instead requiring the customer to call the toll-free numbers to obtain such locations.

TECO argues that Mr. Brown misinterpreted Rule 25-6.100, F.A.C., and that the rule only requires utilities to include toll-free numbers that customers can call to obtain bill pay locations, not the actual locations. TECO stated that its bills identify payment options which include Customer Care toll-free numbers that provide a listing of payment locations upon request. The payment location information includes locations where no surcharge is applicable.

Staff believes that the rule requires toll-free numbers be provided so consumers may call to find the surcharge-free locations where the customers can pay their utility bill. Specifically, Rule 25-6.100(j), F.A.C., states that the "name and address of the utility plus the toll-free number(s) where customers *can receive information* about their bill as well as locations where the customers can pay their utility bill. Such information must identify those locations where no surcharge is incurred." (*emphasis added*)

As referenced in the case background, staff explained its position to Mr. Brown regarding application of the rule both in its April 11, 2013, conference call and August 27, 2013 letter. To date, Mr. Brown has not responded to either staff's August 27, 2013, email or letter.

Staff notes that Mr. Brown has not asked for any specific relief. Staff further notes that in TECO's current customer bills, customers are directed to the company's website and a toll-free number where customers are provided a list of local payment locations who do not charge a fee. Therefore, staff does not believe that TECO is in violation of the rule and no further Commission action is required.

Docket Nos. 120275-EI, 130064-EI

Date: January 23, 2014

Issue 3: Should these dockets be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, Docket No. 120275-EI should be closed. If the Commission approves staff's recommendation in Issue 2 and no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of that order, Docket No. 130064-EI should be closed upon issuance of the consummating order. (Tan)

Staff Analysis: If the Commission approves staff's recommendation in Issue 1, Docket No. 120275-EI should be closed. If the Commission approves staff's recommendation in Issue 2 and no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of that order, Docket No. 130064-EI should be closed upon issuance of the consummating order.

FILED AUG 27, 2013
DOCUMENT NO. 05018-13
FPSC - COMMISSION CLERK

COMMISSIONERS:
RONALD A. BRISÉ, CHAIRMAN
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL
S. CURTIS KISER
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

August 27, 2013

Curtis Brown
9916 Carlsdale Drive
Riverview, Florida, 33578

RE: Docket No. 120275 – EI - Formal petition of complaint against Tampa Electric Company, for discrimination against customers in their Energy Planner program, by Curtis Brown and Docket No. 130064 – EI - Formal petition of complaint against Tampa Electric Company, for violation of Commission Rule 25-6.100 regarding billing, by Curtis Brown.

Dear Mr. Brown:

On October 29, 2012, we received your complaint against Tampa Electric Company (TECO) alleging discrimination regarding the availability of the Energy Planner Program at your multi-family dwelling and subsequently Docket 120275-EI was opened.¹ Since that time TECO has been working with you to install the Energy Planner Program at your residence. On June 26, 2013, TECO filed a letter stating that the system had been successfully installed. Since the installation of the Energy Planner System at your residence occurred approximately two months ago, and we have no reason to believe the installation was unsuccessful, staff believes that your complaint has been resolved.

In addition, you had concerns that TECO was violating Rule 25-6.100, Florida Administrative Code (F.A.C.), because surcharge free payment locations were not visible on the TECO bill.² Staff believes that upon a reading of the rule, TECO meets the requirement of Rule 26.6.100(j), F.A.C., which requires toll-free numbers be provided so consumers may call to find the surcharge free locations where the customers can pay their utility bill. In the current TECO bill, customers are directed to the company's website and a toll-free number where customers are provided with local payment agents who do not charge a fee. As we discussed during our conference call on April 11, 2013, staff does not find any indication that TECO is in violation of the rule.

We believe that your complaints have been addressed and can be closed. Staff can close the dockets once we receive an email or letter from you advising you would like them closed. If you do not believe the matters have been resolved, staff will take its recommendations to the next available Commission Conference for a Commission vote.

¹ Docket No. 120275-EI - Formal petition of complaint against Tampa Electric Company, for discrimination against customers in their Energy Planner program, by Curtis Brown.

² Docket No. 130064-EI was opened to address this matter.

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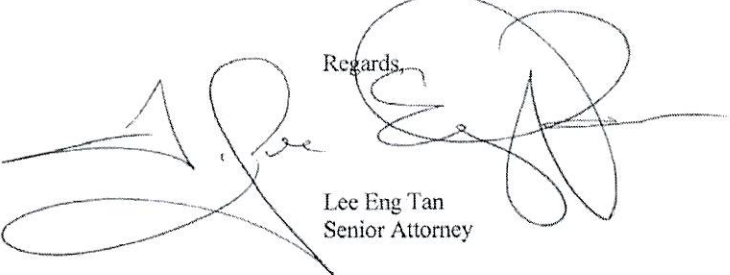
PSF Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

Docket Nos. 120275-EI, 130064-EI
Date: January 23, 2014

Attachment A

We look forward to hearing from you regarding these matters. If we do not hear from you by September 16, 2013, we will begin the recommendation process.

Regards,

Lee Eng Tan
Senior Attorney

CC: Office of Commission Clerk.

Item 3

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 23, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Office of the General Counsel (Young) *Key*
Division of Economics (King) *King*

RE: Docket No. 130256-GU – Joint petition for approval of territorial agreement in Duval and St. Johns Counties between Peoples Gas System and the City of Jacksonville Beach d/b/a Beaches Energy Services.

AGENDA: 02/04/14 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Brown

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On October 18, 2013, Peoples Gas System (Peoples) and the City of Jacksonville Beach d/b/a Beaches Energy Services (BES) filed a joint petition for approval of a territorial boundary agreement for portions of Duval and St. Johns Counties. The Petitioners own and operate natural gas distribution facilities in Duval and St. Johns Counties, and each is a natural gas utility subject to the Commission's jurisdiction under Section 366.04(3), Florida Statutes (F.S.), for the purposes of resolving territorial disputes and approving territorial agreements. Peoples provides natural gas service to approximately 20,000 customers in Duval and St. Johns Counties and plans to continue expanding its distribution system in those counties as provided for in its tariff on file with the Commission. BES also operates a natural gas distribution system in select locations in Duval and St. Johns Counties and plans to continue expanding its distribution system consistent with the demand for natural gas service within its service area. A copy of the complete

Docket No. 130256-GU

Date: January 23, 2014

Agreement is attached (Attachment A) as well as maps that show the service territory for BES (Attachment B).

Absent the Commission's approval of the agreement, the plans of Peoples and BES for providing retail natural gas service in Duval and St. Johns Counties might overlap. Therefore, the Agreement will assist in avoiding future disputes, uneconomic duplication of facilities, and will expedite the handling of applications for service by future potential natural gas customers. No customers will be transferred upon the approval of the Agreement. However, pursuant to Section 2.5 of the Agreement, a customer transfer from Peoples to BES may occur in the future. The Commission has jurisdiction over this matter pursuant to Section 366.04, F.S.

Discussion of Issues

Issue 1: Should the Commission approve the joint petition for approval of a territorial boundary agreement in portions of Duval and St. Johns Counties between Peoples and BES?

Recommendation: Yes. The territorial boundary agreement between Peoples and BES will not cause a detriment to the public interest and should be approved. (King)

Staff Analysis: Pursuant to Section 366.04(3)(a), F.S., the Commission has the jurisdiction to approve territorial agreements between and among natural gas utilities. Rule 25-7.0471(2), Florida Administrative Code (F.A.C.), states 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 gas 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).

The Petitioners represent that approval and implementation of the agreement will not cause a decrease in the availability or reliability of natural gas service to the existing or future ratepayers. No customers of either party will be transferred upon the approval of the agreement. However, Peoples currently provides natural gas service to customers located in Neptune Beach, Florida, which is situated within BES territory according to the pending agreement. Provided the agreement is in effect, Section 2.5 states that Peoples shall transfer the Neptune Beach customers to BES within 90 days following receipt of written notice from BES that its natural gas distribution system is capable of providing natural gas service to these customers. At the time of such transfer, Peoples would also convey to BES the facilities necessary to serve Neptune Beach at the depreciated book value. Once approved, the Agreement will remain in effect until modifications are mutually agreed upon by the parties and approved by the Commission, or until termination or modification shall be mandated by a governmental entity or court with appropriate jurisdiction.

If Section 2.5 was exercised today, approximately 20 customers (19 primarily small commercial customers and 1 residential customer) would be transferred from Peoples to BES. These customers were sent notice advising of the possible future transfer and were provided examples of monthly bill calculations under the current Peoples and BES rates. Customers were also notified that neither Peoples nor BES knows whether or when any such transfer may occur and the current differences in rates may or may not exist in the future. Since the notices have been sent, neither company has received any calls or inquiries from their customers about the possible transfer.

Peoples and BES represent that approval and implementation of the territorial agreement will not cause a decrease in the availability or reliability of natural gas service from either company, or to the existing or future ratepayers. In addition, they assert that approval of the territorial agreement by the Commission will assist in avoiding future uneconomic duplication of

Docket No. 130256-GU

Date: January 23, 2014

facilities by the parties, and will expedite the handling of applications for service by future potential natural gas customers; therefore, the agreement is in the public interest.

It appears that the proposed agreement eliminates the potential uneconomic duplication of facilities and will not cause a decrease in the reliability of gas service. In addition, the purchase price of the facilities (at their depreciated book value), if transfer occurs in the future, appears reasonable. Therefore, based on the above, staff believes that the proposed territorial agreement will not cause a detriment to the public interest and recommends approval.

Docket No. 130256-GU

Date: January 23, 2014

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose interests are substantially affected timely files a protest to the Commission's Proposed Agency Action Order, this docket should be closed upon issuance of a Consummating Order. (Young)

Staff Analysis: If no person whose interests are substantially affected by the Commission's decision timely files a protest to the Commission's Proposed Agency Action Order, this docket should be closed upon issuance of a Consummating Order.

TERRITORIAL BOUNDARY AGREEMENT

THIS TERRITORIAL BOUNDARY AGREEMENT (this "Agreement") is made and entered into this 11 day of September, 2013, by and between Peoples Gas System, a division of Tampa Electric Company, a Florida corporation ("PGS"), and the City of Jacksonville Beach, Florida, a municipality organized and existing under the laws of the State of Florida ("City"). PGS and City are hereinafter sometimes referred to singularly as a "party" and collectively as the "parties."

PGS is presently providing natural gas service throughout the State of Florida, including portions of Duval and St. Johns Counties near the City of Jacksonville Beach; and

City has constructed a natural gas distribution system within the service area in which City currently provides electric utility services, and provides natural gas service to its customers through such distribution system; and

There is a potential for disputes between PGS and City regarding service to potential natural gas customers located in Duval and St. Johns Counties; and

PGS and City desire to preclude any potential disputes between them in order that present and future applicants for natural gas service may expeditiously obtain such service from one or the other of them; and

The respective areas of service of the parties are contiguous in certain areas with the result that duplication of service facilities is likely to occur in the future unless such duplication is precluded by virtue of this Agreement; and

The parties recognize that any duplication of said service facilities may result in needless and wasteful expenditures and investments that are detrimental to the public interest; and

The parties desire to avoid and eliminate the circumstances giving rise to the aforesaid potential duplications and toward that end have entered into this Agreement to delineate their respective service areas in the localities where such potential duplications are likely; and

The Florida Public Service Commission (the "FPSC") is empowered by the legislature of the State of Florida, pursuant to Section 366.04(3)(a), *Florida Statutes*, to approve and supervise territorial agreements between and among natural gas utilities; and

The parties' execution of this Agreement is not conditioned upon the acceptance of, or agreement to, any other contractual arrangements pending or contemplated by or between the parties.

In fulfillment of the purposes and desires aforesaid, and in consideration of the mutual covenants and agreements herein contained, which shall be construed as being interdependent, the parties, subject to and upon the terms and conditions herein set forth, hereby agree as follows:

ARTICLE I
TERM OF AGREEMENT

Section 1.1 After this Agreement becomes effective pursuant to Sections 3.4 and Section 3.5 hereof, it shall continue in effect until modifications are mutually agreed upon by the parties and approved by the FPSC, or until termination or modification shall be mandated by a governmental entity or court with appropriate jurisdiction.

ARTICLE II
BOUNDARY PROVISIONS

Section 2.1 The map attached hereto and labeled Exhibit A depicts boundary lines delineating, as between the parties, a natural gas service area reserved to the City with respect to service to natural gas customers. Said boundary lines are more specifically described as follows:

- Western Boundary:** Intracoastal Waterway
- Southern Boundary:** Guana Dam Drive
- Northern Boundary:** South side of Atlantic Boulevard (SR 10)
- Eastern Boundary:** Atlantic Ocean

That area in Duval and St. Johns Counties lying outside of the boundaries described in this Section 2.1 is reserved (as between PGS and the City) to PGS with respect to service to natural gas customers.

Section 2.2 Each of the parties agrees that it will not, except as provided in Section 2.3, provide or offer to provide natural gas service to customers within the territory herein reserved to the other party.

Section 2.3 To help facilitate the provision of natural gas service to customers and to minimize costs and delays in providing such service, a party to this Agreement which has a gas main installed on its side of a boundary line established in Section 2.1 of this Agreement may temporarily serve customers located on the other side of such boundary line in territory herein reserved to another party; provided, however, that when such temporary service is contemplated by a party, it shall give written notice, setting forth the details of such contemplated service, to the party in whose territory the customer is located under Section 2.1 of this Agreement, before installing any additional facilities needed for the provision of such temporary service. At such time as the party in whose territory such customers are located under Section 2.1 has a gas main available for providing natural gas service to such customers, the party providing temporary service pursuant to this section shall surrender any such customers upon the request of the party in whose territory such customers are located, and shall convey to such other party, at depreciated book value, such gas mains, service lines, and appurtenances thereto (previously used by the party in providing temporary service and located in the territory of the party which will provide service thereafter) as may be required by the party to serve such customers. Any customer who receives temporary natural gas service under the provisions of this section shall be notified in advance that when service is available from the party in whose territory such customer is located, the customer will be

required to receive service from such party at such party's then-current rates, and that such temporary service is provided only as a temporary convenience to the customer.

Section 2.4 Nothing in this Agreement is intended to affect the gate stations, regulators, or gas mains of one party which are located in the service area of the other party, and any problems between the parties involving these types of facilities shall be settled at the senior management level of the parties. No such facilities shall be used by one party to provide natural gas service to customers located in the service area of the other party except as may be necessary to implement the provisions of Section 2.3 hereof.

Section 2.5 PGS is currently providing natural gas service to customers located in Neptune Beach (the "Existing Customers"), which is situated within territory reserved under this Agreement to the City. Provided this Agreement has become effective pursuant to Section 3.4, PGS shall transfer such Existing Customers to the City within 90 days following receipt of written notice from the City that the City's natural gas distribution system is capable of providing natural gas service to the Existing Customers. At the time of such transfer, PGS shall also convey to the City such lateral gas mains (excluding mains used by PGS in providing natural gas service to customers other than the Existing Customers and customers located outside the territory herein reserved to the City), service lines and appurtenances thereto (the "Neptune Facilities") previously used by PGS in providing service to the Existing Customers. The Neptune Facilities shall be conveyed in total to the City, whether or not any particular part of the Neptune Facilities is necessary for the provision by the City of natural gas service to the Existing Customers. At the time of such conveyance, the City shall pay to PGS the depreciated book value of the Neptune Facilities for the Existing Customers.

ARTICLE III
MISCELLANEOUS PROVISIONS

Section 3.1 The failure of either party to enforce any provision of this Agreement in any instance shall not be construed as a waiver or relinquishment on its part of any such provision but the same shall nevertheless be and remain in full force and effect.

Section 3.2 This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

Section 3.3 This Agreement shall be governed by the laws of the State of Florida.

Section 3.4 The parties hereto recognize and agree that each of them is subject to the jurisdiction of the FPSC with regard to the subject of their respective territories as set forth in this Agreement and further agree that this Agreement shall have no force or effect unless and until it is submitted to and approved by the FPSC in accordance with applicable procedures. The parties further agree that this Agreement, if and when approved by the FPSC, shall be subject to the continuing jurisdiction of the FPSC and may be terminated or modified only by order of the FPSC. No modification or termination of this Agreement by the parties hereto shall be effective unless and until approved by the FPSC (or any successor agency with power to consider approval or modification hereof). Each party agrees to promptly notify the other in writing of any petition, application or request for modification of this Agreement made to the FPSC and to serve upon the other party copies of all pleadings or other papers filed in connection therewith.


Section 3.5 This Agreement shall be effective on the date it is approved by the FPSC in accordance with Section 3.4 hereof. As soon as practicable following the effective date of this Agreement, each party agrees to file any revisions to its tariffs (if any) on file with the FPSC which may be required as a result of the FPSC's approval hereof, and shall provide a copy of any such tariff revisions to the other party.

Section 3.6 Prior to the second anniversary of the effective date of this Agreement and no more than every fifth anniversary thereafter, the parties shall confer to review the status of this Agreement and shall submit a joint status report to the FPSC (or any successor agency with power to consider approval or modification hereof).


Section 3.7 This Agreement may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one agreement.

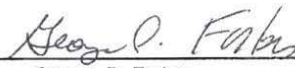
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date and year first above stated.

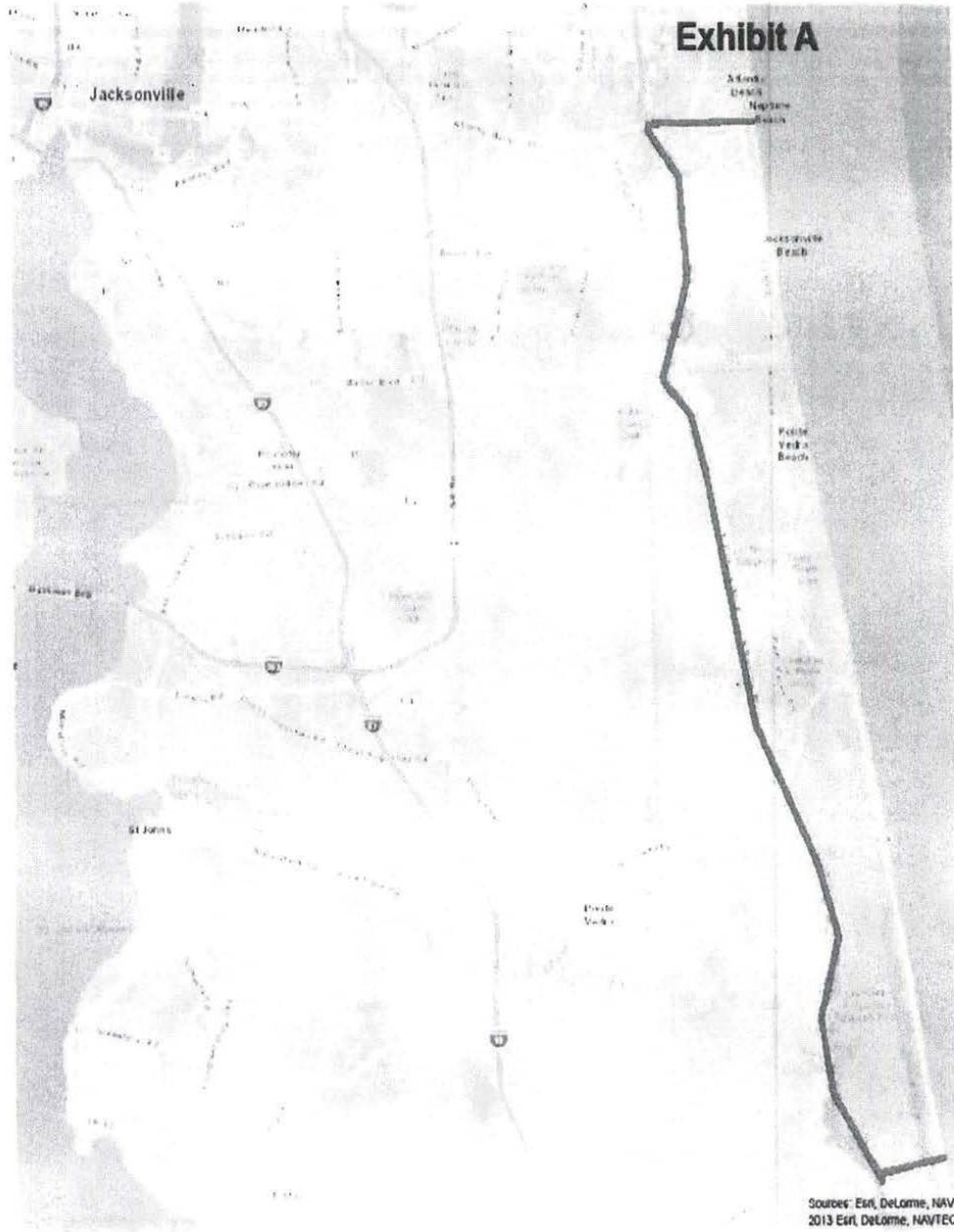
THE CITY OF JACKSONVILLE
BEACH, FLORIDA

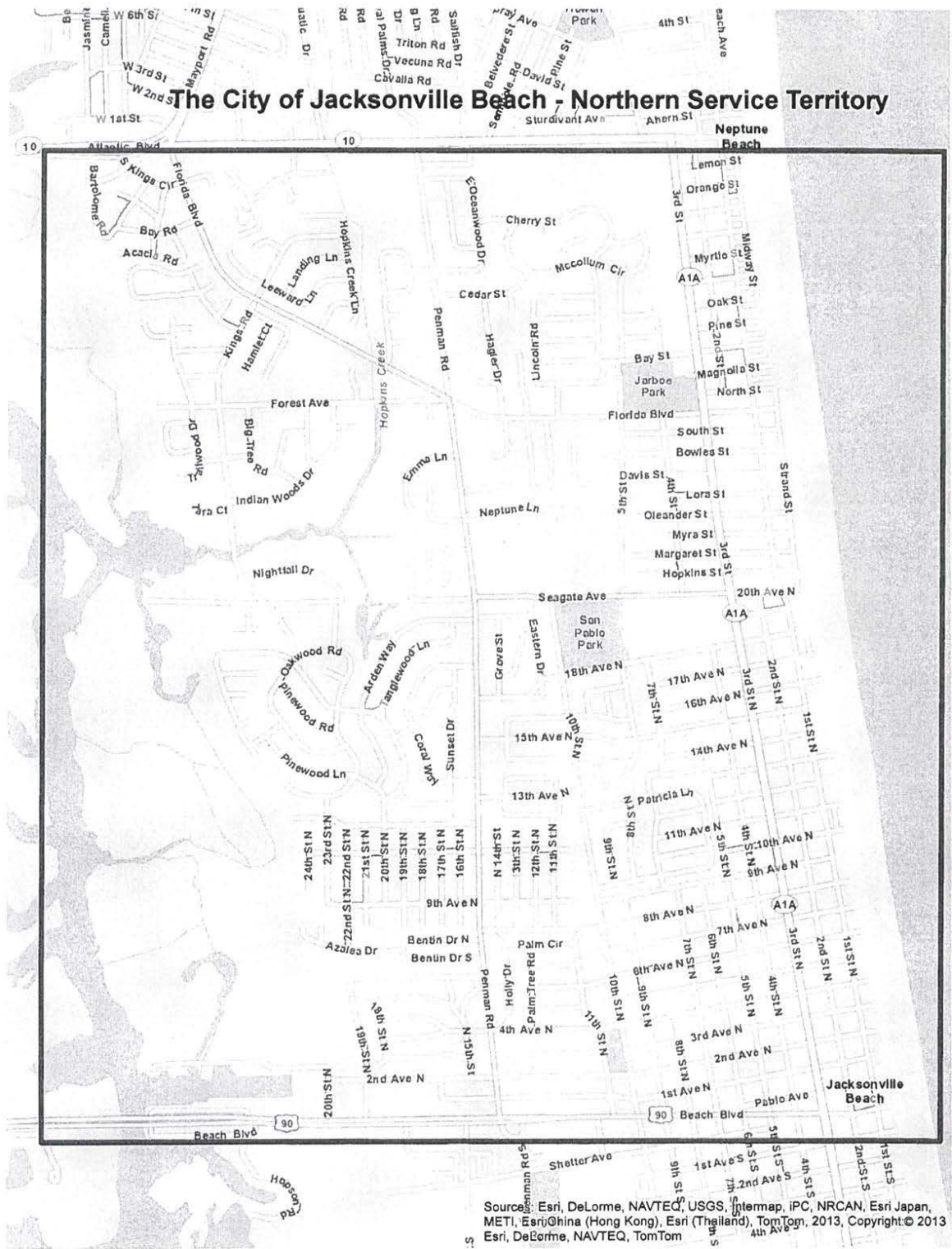
By: 
William C. Latber
Mayor

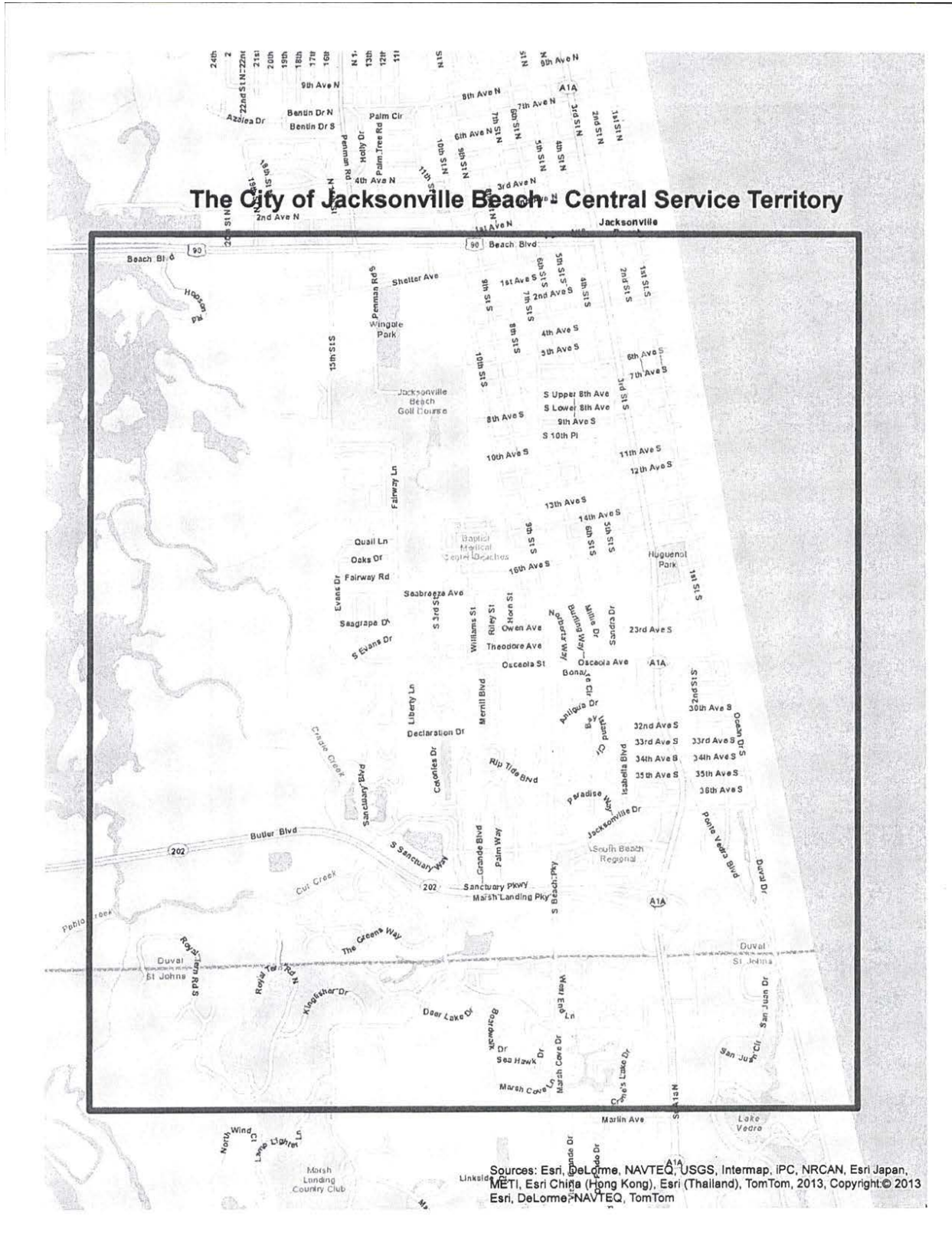
PEOPLES GAS SYSTEM, a division
of Tampa Electric Company

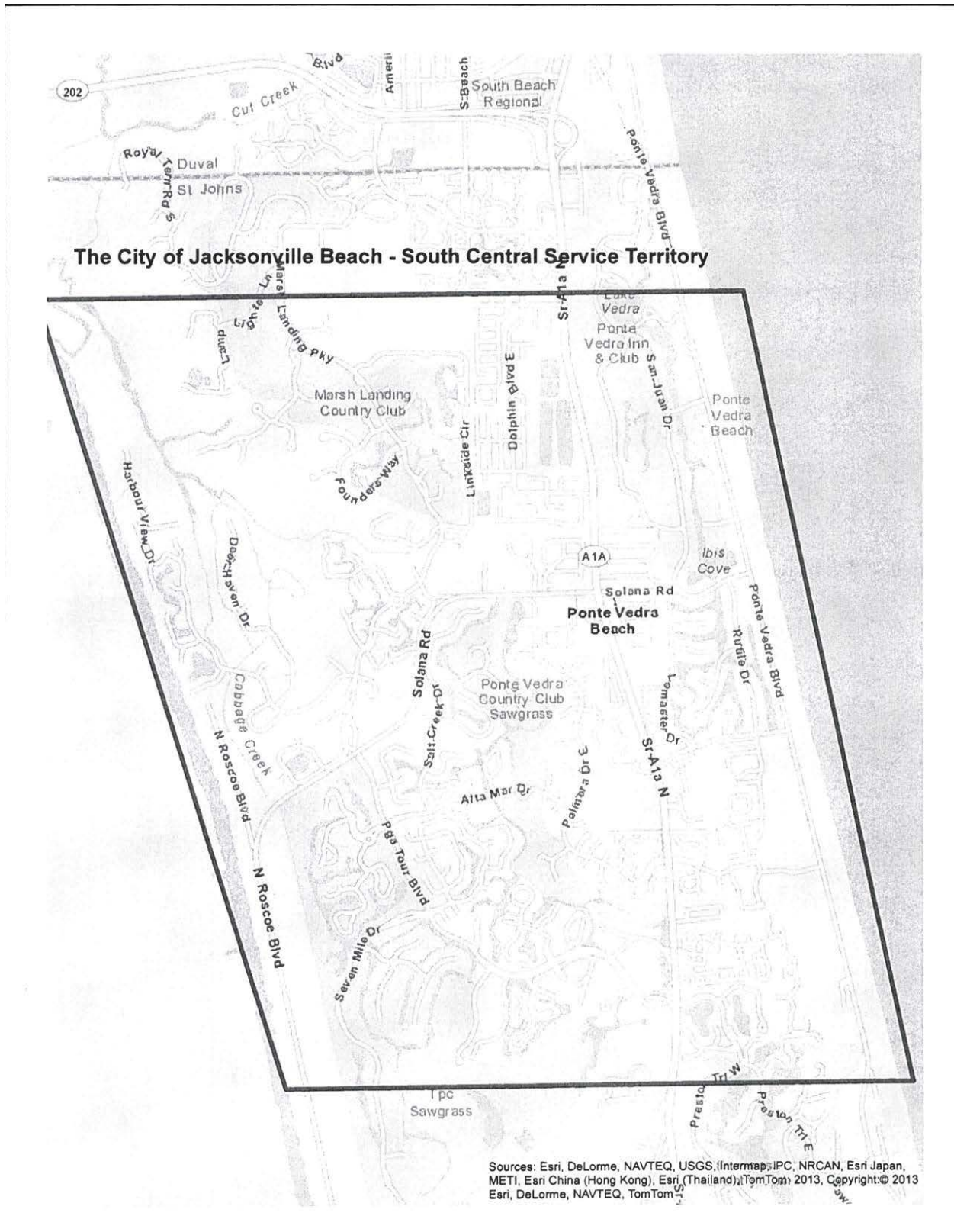
By: 
Bruce Narzissenfeld
Vice President

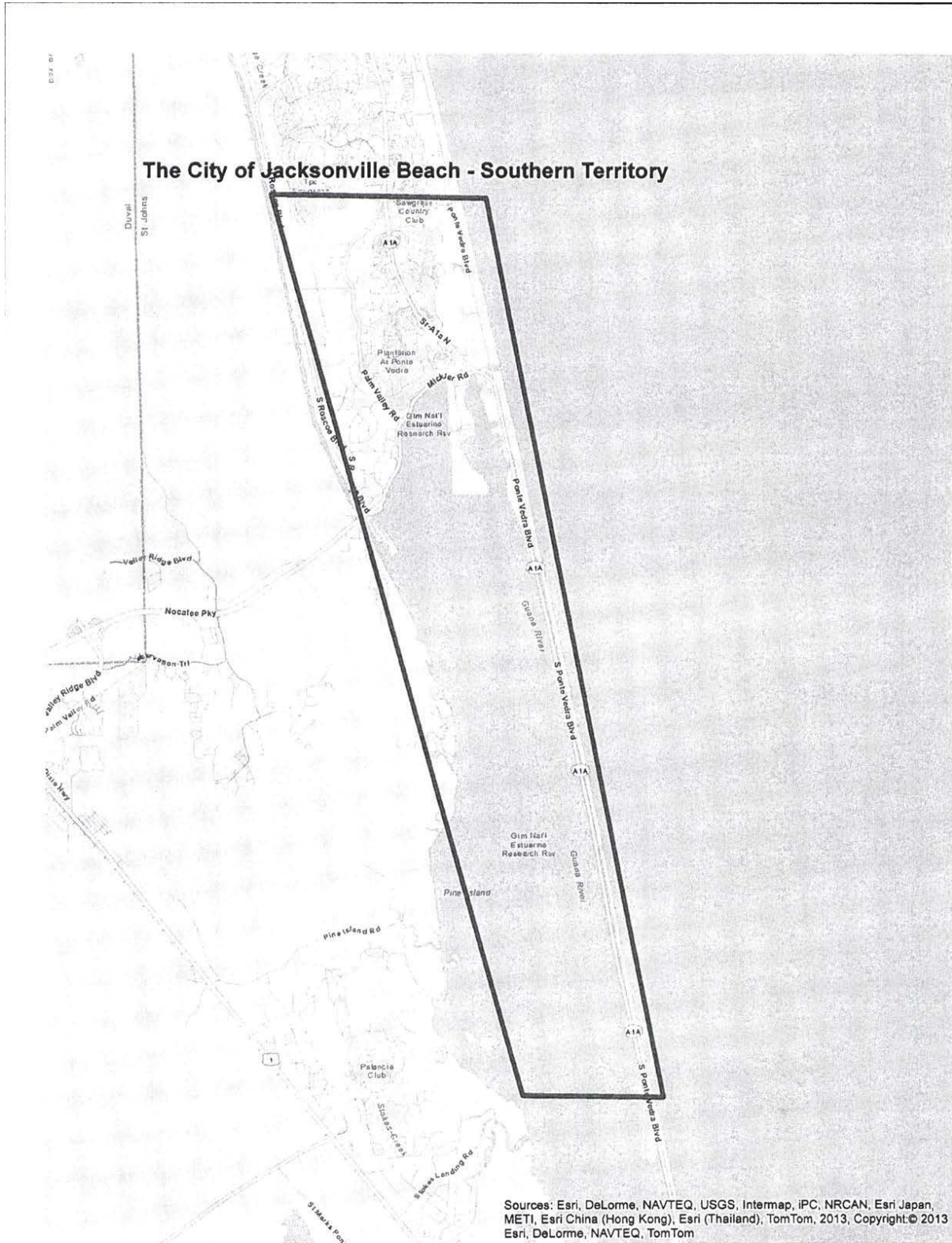
By: 
George D. Forbes
City Manager











Item 4

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 23, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Office of the General Counsel (Klancke) *CMK*
Division of Economics (Rome) *CR* *ED* *PD* *J.W.D.*

RE: Docket No. 130267-EU – Joint petition for approval of territorial agreement in Orange County by the City of Winter Park and Duke Energy Florida, Inc.

AGENDA: 02/04/14 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Balbis

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On November 6, 2013, the City of Winter Park (Winter Park) and Duke Energy Florida, Inc. (DEF) filed a joint petition for approval of a territorial agreement (agreement) in Orange County. In Order No. PSC-05-0453-PAA-EI, the Commission granted DEF's petition to relieve it of the statutory obligation to provide certain customers within the City of Winter Park with electrical service, thereby delineating the territorial boundary established in the 2003 award regarding Winter Park's purchase of a portion of DEF's distribution system.¹ The proposed agreement would more clearly define the boundaries of each utility's service area to allow for improvement or expansion by Winter Park or DEF without the threat of territorial disputes

¹ See Order No. PSC-05-0453-PAA-EI, issued April 28, 2005, in Docket No. 050117-EI, In re: Petition to relieve Progress Energy Florida, Inc. of the statutory obligation to provide electrical service to certain customers within the City of Winter Park, pursuant to Section 366.03 and 366.04, F.S. As of April 29, 2013, Progress Energy Florida, Inc.'s name was changed to Duke Energy Florida, Inc.

Docket No. 130267-EU

Date: January 23, 2014

arising in the future. If approved, the agreement would result in the transfer of 11 customers from DEF to Winter Park. The Commission has jurisdiction over the matter pursuant to Section 366.04, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the Commission approve the joint petition for approval of the territorial agreement in Orange County between Winter Park and DEF?

Recommendation: Yes. The territorial agreement between Winter Park and DEF will not cause a detriment to the public interest; therefore, it should be approved. (Klancke, Rome)

Staff Analysis: Pursuant to Section 366.04(2)(d), F.S., 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 (F.A.C.), 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 Beach v. Florida Public Service Commission, 469 So. 2d 731 (Fla. 1985).

The joint petitioners desire to clearly delineate the territorial boundaries in Orange County in their entirety through this agreement in order to gain further operational efficiencies and customer service improvements in Orange County, while continuing to eliminate circumstances giving rise to the uneconomic duplication of service facilities and hazardous situations. A copy of the agreement and associated maps delineating the respective territorial areas of Winter Park and DEF is included in Attachment A. Pursuant to Section 1.9, the proposed effective date of the agreement is the date on which a Consummating Order is issued by the Commission, provided no timely protests to the Commission's Proposed Agency Action Order are filed. The duration of the agreement would be 20 years from the effective date.

The petitioners state that in accordance with Rule 25-6.0440(1)(d), F.A.C., the 11 customers (2 residential, 9 commercial) to be transferred from DEF to Winter Park pursuant to this agreement were notified by mail of the transfer and a description of the difference between DEF's and Winter Park's rates was provided. DEF will apply customers' deposits to their last electric bill and will directly refund any surplus. With regard to the degree of acceptance by affected customers, the petitioners state that no negative responses to the notification letters have been received. The joint petitioners expect that all transfers of customers will be completed within 24 months of the effective date of the agreement and will notify the Commission in writing if circumstances require additional time.

It appears that the proposed agreement will eliminate the potential uneconomic duplication of facilities and will not cause a decrease in the reliability of electric service. Therefore, based on the above, staff believes that the proposed territorial agreement will not cause a detriment to the public interest and should be approved.

Docket No. 130267-EU

Date: January 23, 2014

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose interests are substantially affected timely files a protest to the Commission's Proposed Agency Action Order, this docket should be closed upon issuance of a Consummating Order. (Klancke)

Staff Analysis: If no person whose interests are substantially affected timely files a protest to the Commission's Proposed Agency Action Order, this docket should be closed upon issuance of a Consummating Order.

Attachment 1

TERRITORIAL AGREEMENT

Section 0.1: The City of Winter Park ("Winter Park"), and Duke Energy Florida, Inc. d/b/a Duke Energy, ("DEF") (collectively, the "Parties") enter into this Territorial Agreement ("Agreement") on this 21st day of October, 2013.

WITNESSETH:

Section 0.2: WHEREAS, Winter Park and DEF are each authorized, empowered and obligated by their corporate charter and laws of the State of Florida to furnish retail electric service to persons upon request within their respective service areas in Orange County; and

Section 0.3: WHEREAS, in Docket No. 050117, the Florida Public Service Commission granted DEF's (under its former name) *Petition of Progress Energy Florida, Inc. to Relieve It of the Statutory Obligation to Provide Certain Customers Within the City of Winter Park with Electrical Service*, delineating the territorial boundary established in the 2003 arbitration award regarding Winter Park's purchase of a portion of DEF's distribution system.

Section 0.4: WHEREAS, the Parties desire to clearly delineate the territorial boundaries in Orange County in their entirety through this Agreement in order to gain further operational efficiencies and customer service improvements in Orange County, while continuing to eliminate circumstances giving rise to the uneconomic duplication of service facilities and hazardous situations.

Section 0.5: WHEREAS, the Commission is empowered by the Florida legislature, 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.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, which shall be construed as being interdependent, the Parties hereby agree to the Agreement 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 Territorial Areas in Orange County.

Section 1.2: Winter Park Territorial Area. As used herein, the term "Winter Park Territorial Area" shall mean the geographic areas in Orange County allocated to Winter Park as its retail service territory and labeled as

"Winter Park Territorial Area" or "Winter Park" on the maps contained in Exhibit A.

Section 1.3: DEF Territorial Area. As used herein, the term "DEF Territorial Area" shall mean the geographic areas in Orange County allocated to DEF as its retail service territory and labeled as "DEF Territorial Area" or "DEF" 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 Territorial Area of a Party where a customer's end-use facilities consume electricity, wherein such Party shall 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 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: Extra-Territorial Customers. As used herein, the term "Extra-Territorial Customers" shall mean those customers served by either Party on the Effective Date of the Agreement who are located within the service territory of the other Party established by such Agreement.

Section 1.7: Temporary Service Customers. As used herein, the term

“Temporary Service Customers” shall mean customers who are being temporarily served under the temporary service provisions of the Agreement.

Section 1.8: Commission. As used herein, the term “Commission” shall mean the Florida Public Service Commission.

Section 1.9: 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.

ARTICLE II

RETAIL ELECTRIC SERVICE

Section 2.1: In General. Except as otherwise specifically provided herein, Winter Park shall have the exclusive authority to furnish retail electric service within the Winter Park Territorial Area and DEF shall have the exclusive authority to furnish retail electric service within the DEF Territorial Area. The Territorial Boundary Line shall not be altered or affected by any change that may occur in the corporate limits of any municipality or county lying within the Winter Park or DEF Territorial Area, through annexation or otherwise, unless such change is 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 Territorial Area of the other Party, except as specifically provided in Sections 2.3 and 4.4 below. However, in those instances where the Territorial Boundary Line traverses the property of an individual New Customer or prospective New Customer, the Party in whose service area the preponderance of the Customer's electric energy usage is expected to occur shall be entitled to serve all of the Customer's usage. With respect to new residential customers, however, the Parties recognize that in some instances, the information needed to locate the various points of the New Customer's usage in relation to the Territorial Boundary Line with reasonable certainty may be unavailable or difficult to determine, and agree that in such event the Party with the greater portion of the New Customer's property in its service area shall be entitled to serve all of the New 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 Customer's Point of Use either cannot or should not be immediately served by the Party in whose Territorial Area such Point of Use is located. In such instances, upon written request by the Party in whose Territorial Area 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 New Customer until such time as the requesting Party provides written notice of its intent to serve the Point of Use. Prior to the commencement of temporary service, the Party providing such service shall inform the New

Customer of the temporary nature of its service and that the other Party will ultimately serve the New Customer. 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. Such temporary service shall be discontinued upon written notice from the requesting Party of its intent to provide service, which the Parties shall coordinate to minimize any inconvenience to the customer. In conjunction with such discontinuance, the Party providing temporary service hereunder shall be compensated by the requesting Party in accordance with Section 3.5 for its distribution facilities used exclusively to provide such service. However, 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, nor shall the Party providing temporary service be required to pay the other party any Going Concern value as set forth in Section 3.3.1.

Further, the existing customers that are being provided temporary service by the Parties as of the Effective Date of this Agreement and listed on Exhibit C, shall be considered New Customers upon approval of this Agreement and shall thereafter be subject to the provisions of this section.

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 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 2.5: 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 Territorial Area of the other Party, service to such customer will be transferred to such other Party at the earliest practical time, but in any event within 12 months of the date the inadvertent service error was discovered. Until service by the other Party can be reasonably established, the inadvertent service will be deemed to be temporary service provided and governed in accordance with Section 2.3 above.

ARTICLE III

TRANSFER OF CUSTOMERS AND FACILITIES

Section 3.1: In General. In order to achieve the operational efficiencies and other benefits contemplated by this Agreement in a timely manner, all Extra-Territorial 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 and reasonable customer notice. The Parties expect the transfer of any Extra-Territorial Customers to be completed

within twenty-four (24) months of the Effective Date and will notify the Commission in writing if circumstances require additional time to complete the transfer.

Section 3.2: Extra-Territorial Customers. The Extra-Territorial Customers, which includes Temporary Service Customers being served as of the Effective Date of this Agreement, are located in the Winter Park Territorial Area identified in Exhibit B, and listed on Exhibit C and Exhibit D, hereto. The Extra-Territorial Customers served by DEF on the Effective Date of this Agreement and located in the Winter Park Territorial Area in Exhibit B will continue to be served by DEF until such time that those electrical services are disconnected. Any future service within the area depicted on Exhibit B identified as the Winter Park Territorial Area will be considered a New Customer pursuant to Section 1.5, shall be served by Winter Park, and shall be subject to the compensation provisions in Section 3.3.2. The Extra-Territorial customers listed on Exhibit C were transferred to Winter Park and are currently being served on a temporary basis by Winter Park at the request of DEF and shall be considered New Customers and shall be subject to the compensation provisions in Section 3.3.1 upon approval of this Agreement.

Section 3.3: Compensation for Existing and Future Transferred Customers.

Section 3.3.1: Going Concern Customers. For the temporary service customers listed on Exhibit C, and the customers listed on Exhibit D, upon

approval of the Agreement, the receiving Party shall compensate 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.

The Going Concern payments made for the customers listed on Exhibit C and Exhibit D will be deducted from future Going Concern payments (calculated under Section 3.3.2) made for New Customers in the same location as the customers listed on Exhibit C and depicted on Exhibit E and New Customers in the same location as the customers listed on Exhibit D. For purposes of this subsection, the area in which the customers on Exhibit C are located is depicted on the map in Exhibit E.

Section 3.3.2: Compensation for Future Customers. For New Customers that initiate service during the term of this Agreement within the area identified in Exhibit B, Winter Park shall provide DEF one year's history of billed revenues for these customers within sixty (60) days of the one-year anniversary of the New Customer's electric service. Winter Park will compensate DEF 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 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. The transferring Party shall have the right to audit the books and records of the receiving Party as they relate to the billing and revenues used to calculate the compensation to the transferring Party.

Section 3.4: Transfer of Related Service Facilities. In conjunction with the transfer of Extra-Territorial Customers pursuant to Sections 3.1 and 3.2 above, the receiving Party may purchase the electric distribution facilities of the transferring Party used exclusively for providing electric service to the

transferred customers for an amount determined in accordance with Section 3.5 below.

Section 3.5: Compensation for Transferred Facilities. If service facilities are transferred pursuant to Section 3.4 above, the receiving Party shall compensate the transferring Party an amount based upon the replacement cost (new), less depreciation calculated on a straight line basis over the life of the asset (facility) as determined from the transferring Party's books and records, and the cost to 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 3.6: Transfer Closings. The Parties shall mutually agree on a closing date for each transfer, allowing sufficient time for the Parties to identify the customers and facilities to be transferred; to determine the compensation for transferred customers and facilities; and to prepare the appropriate closing statements, 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 3.4 above.

Section 3.7: Time of Payment. Compensation applicable under Section 3.3.1 shall be paid to the transferring Party by the receiving Party for Extra-Territorial Customers listed on Exhibit C upon approval of the Agreement, and for Extra-Territorial Customers listed on Exhibit D at the completion of the customer transfers, and shall be made in cash within 60 days of the presentation of an invoice from the transferring Party. Additionally, compensation for customers applicable under Section 3.3.2 shall be paid to the transferring Party after completing one year of service provided by the receiving Party and in shall be made in cash within 60 days of the presentation of an invoice from the transferring Party.

Section 3.8: 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, rights-of-way, easements, road permits, or other rights to the receiving Party.

ARTICLE IV

OPERATION AND MAINTENANCE

Section 4.1: Facilities to Remain. Other than as expressly provided for herein, 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 minimizes any interference with the operations of the other Party.

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

Section 4.3: DEF Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of DEF to serve any DEF facility located in the Winter Park Territorial Area which is used exclusively in connection with DEF business as an electric utility; provided, however, that DEF shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of Winter Park in the Winter Park 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 4.3 or 4.4 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 appropriate approval by the Commission 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 Commission approval has been obtained. Any proposed modification to this Agreement shall be submitted to the Commission for approval. In addition, the Parties agree 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 approval of the Commission 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 prior

agreements between the Parties regarding their respective retail service areas in Orange Counties.

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 is intended to define, establish or affect in any manner the right of either Party to furnish retail electric service with any other electric utility that is not a party to this Agreement. The Parties understand that Winter Park or DEF 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 Winter Park or DEF from designating any portion of its Territorial Area 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 agreed to in writing 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:

To WINTER PARK:

City Manager
City of Winter Park
401 Park Avenue, South
Winter Park, Florida 32789

To DEF:

Manager, Public Policy &
Constituency Relations
Duke Energy Florida, Inc.
P.O. Box 14042
St. Petersburg, Florida 33733
Facsimile 727-820-5044

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 herein provided.

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

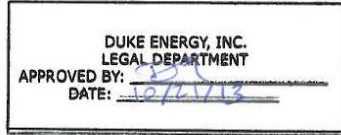
DUKE ENERGY FLORIDA, INC.

ATTEST:

By *[Signature]*
State President

[Signature]

(SEAL)



CITY OF WINTER PARK

ATTEST:

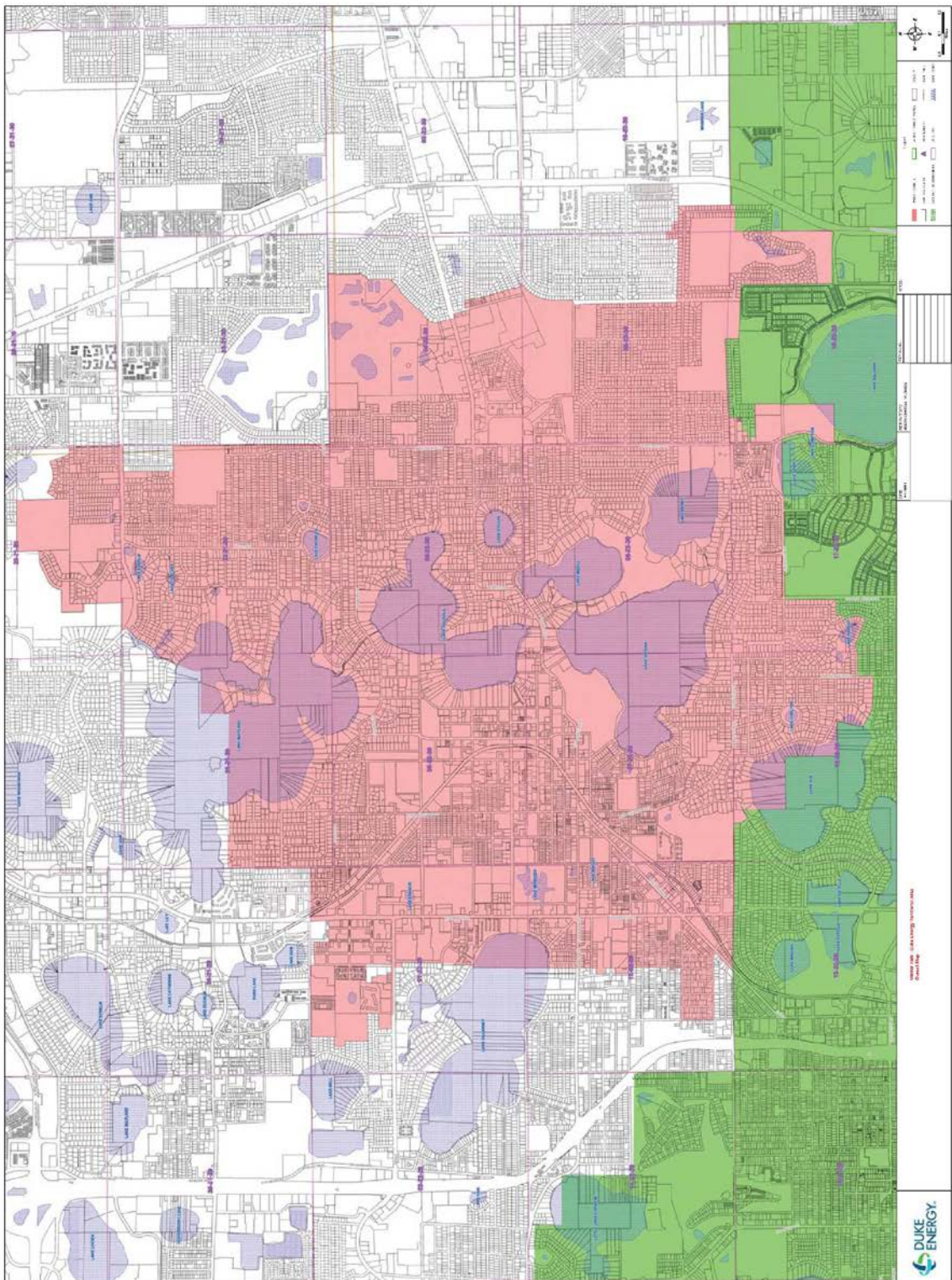
By *[Signature]*
Mayor

[Signature]

(SEAL)

EXHIBIT A

MAPS DEPICTING THE TERRITORIAL BOUNDARY LINES AND SERVICE TERRITORIES OF WINTER PARK AND DEF



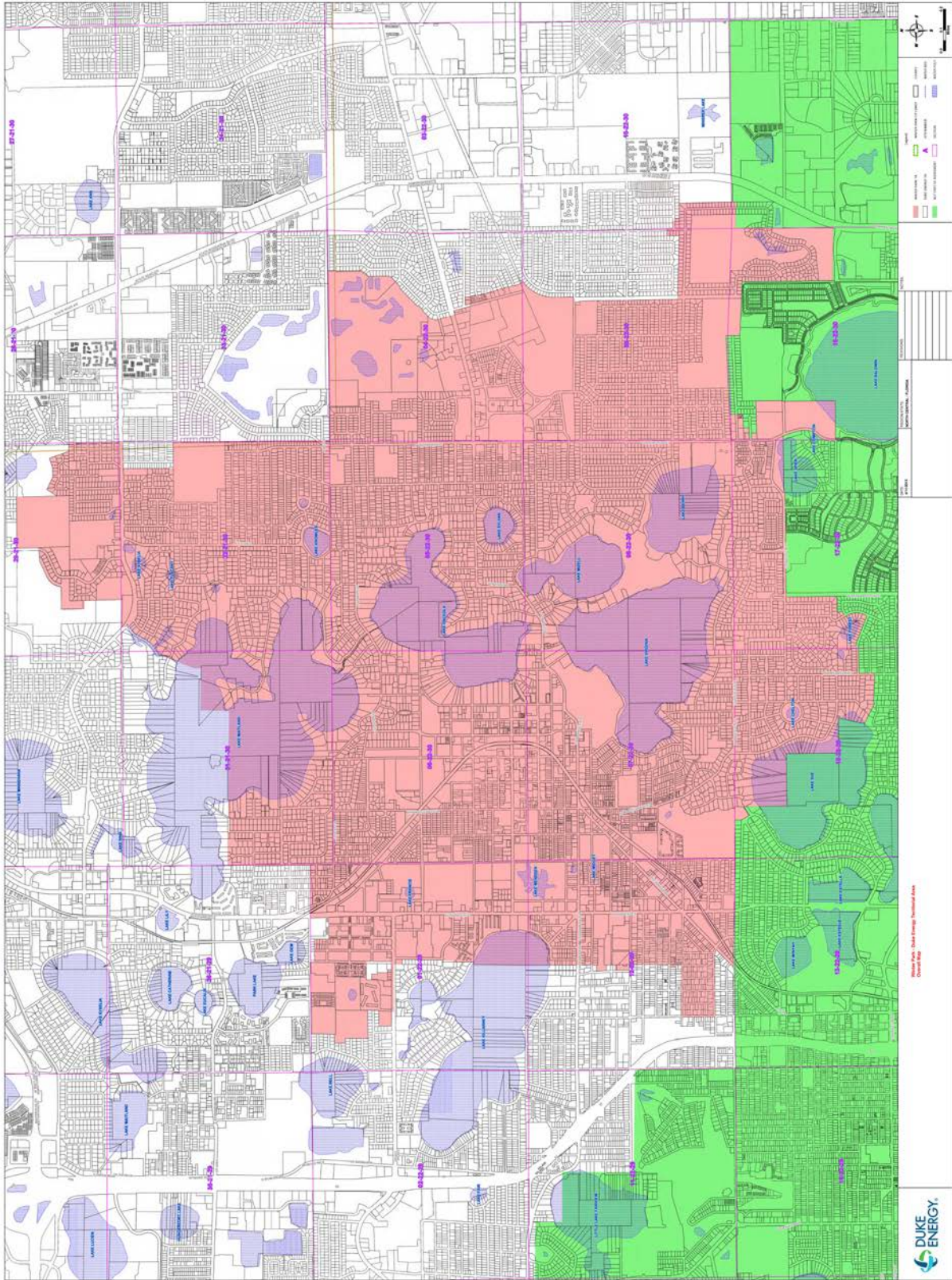


Exhibit A

- Legend
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 - COUNTY
 - WATER SEG
 - DUKE ENERGY TA
 - STR NUMBER
 - WATER POLY
 - NOT PART OF AGREEMENT
 - SECTION

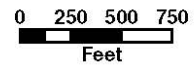
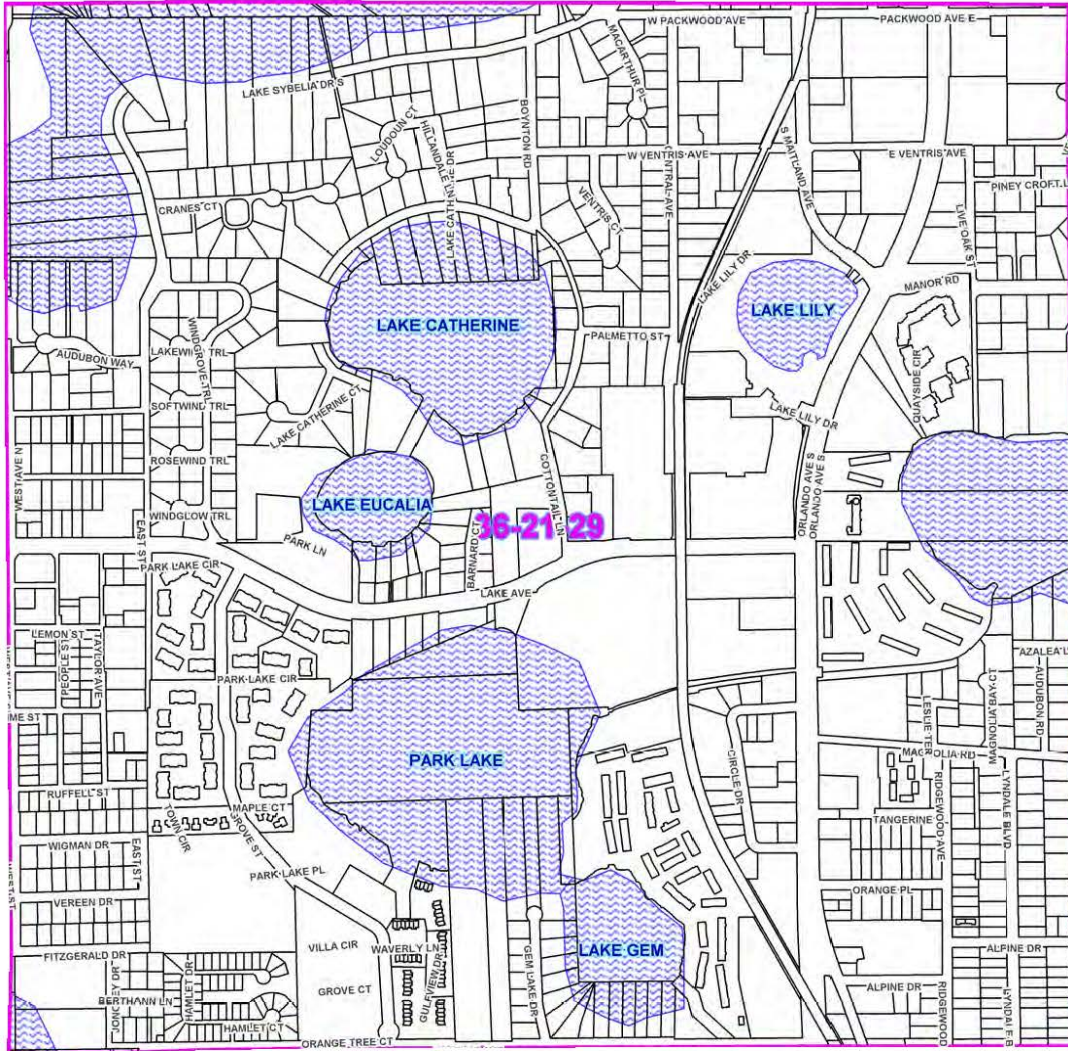


Exhibit A

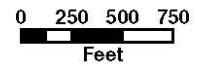
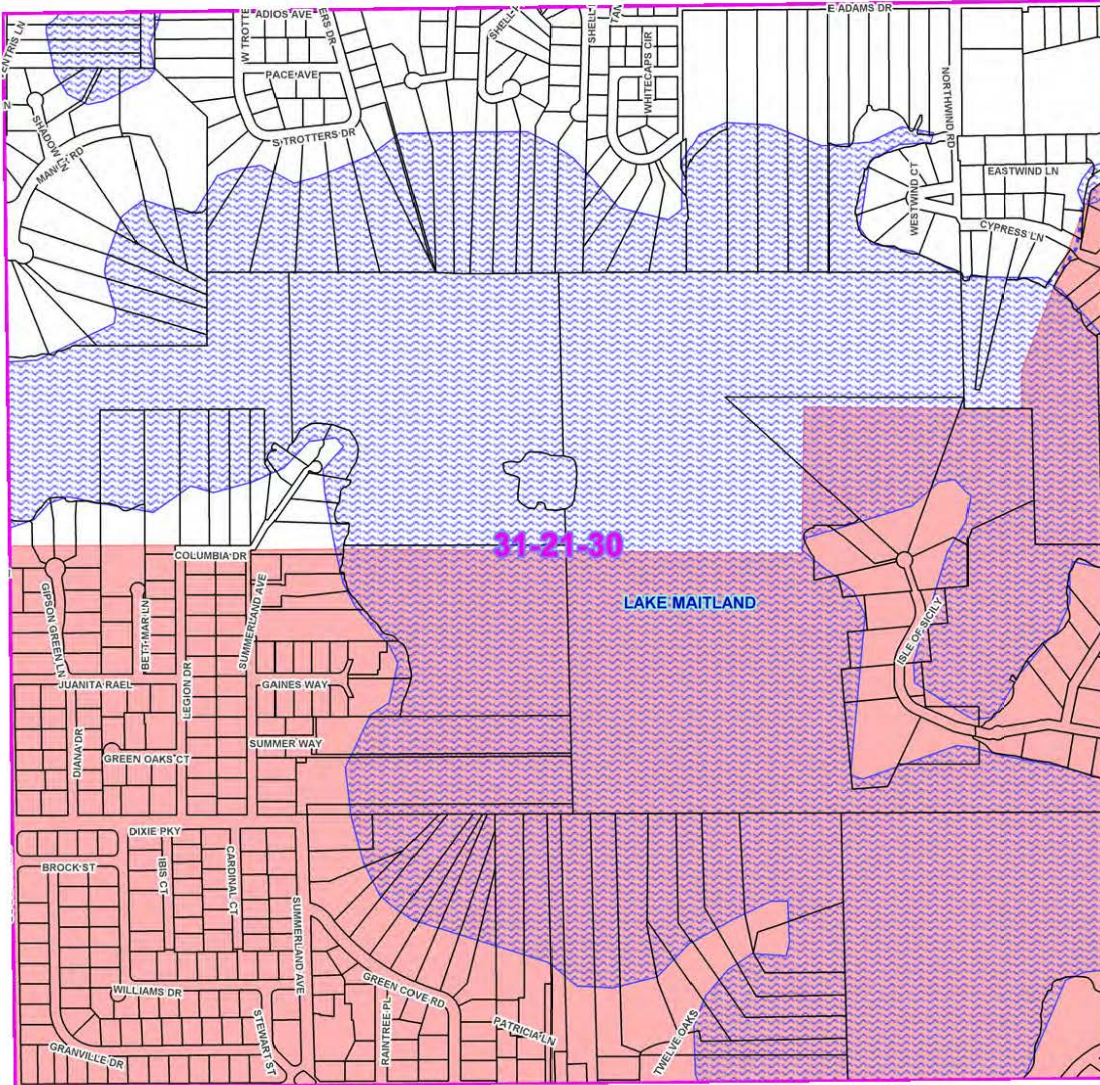
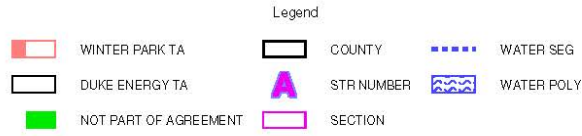


Exhibit A

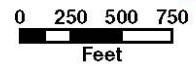
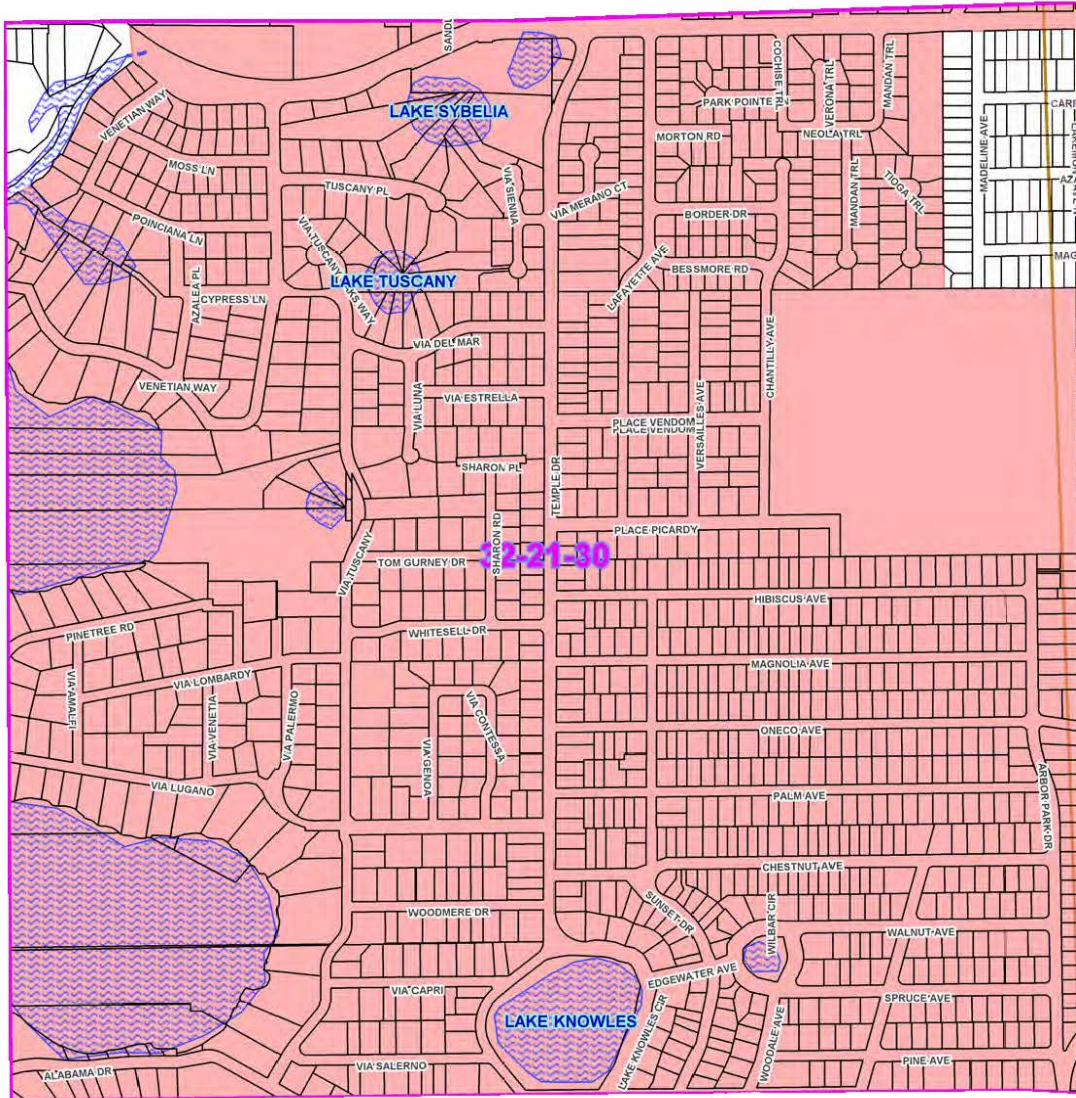
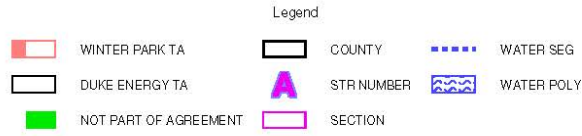


Exhibit A

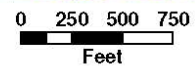
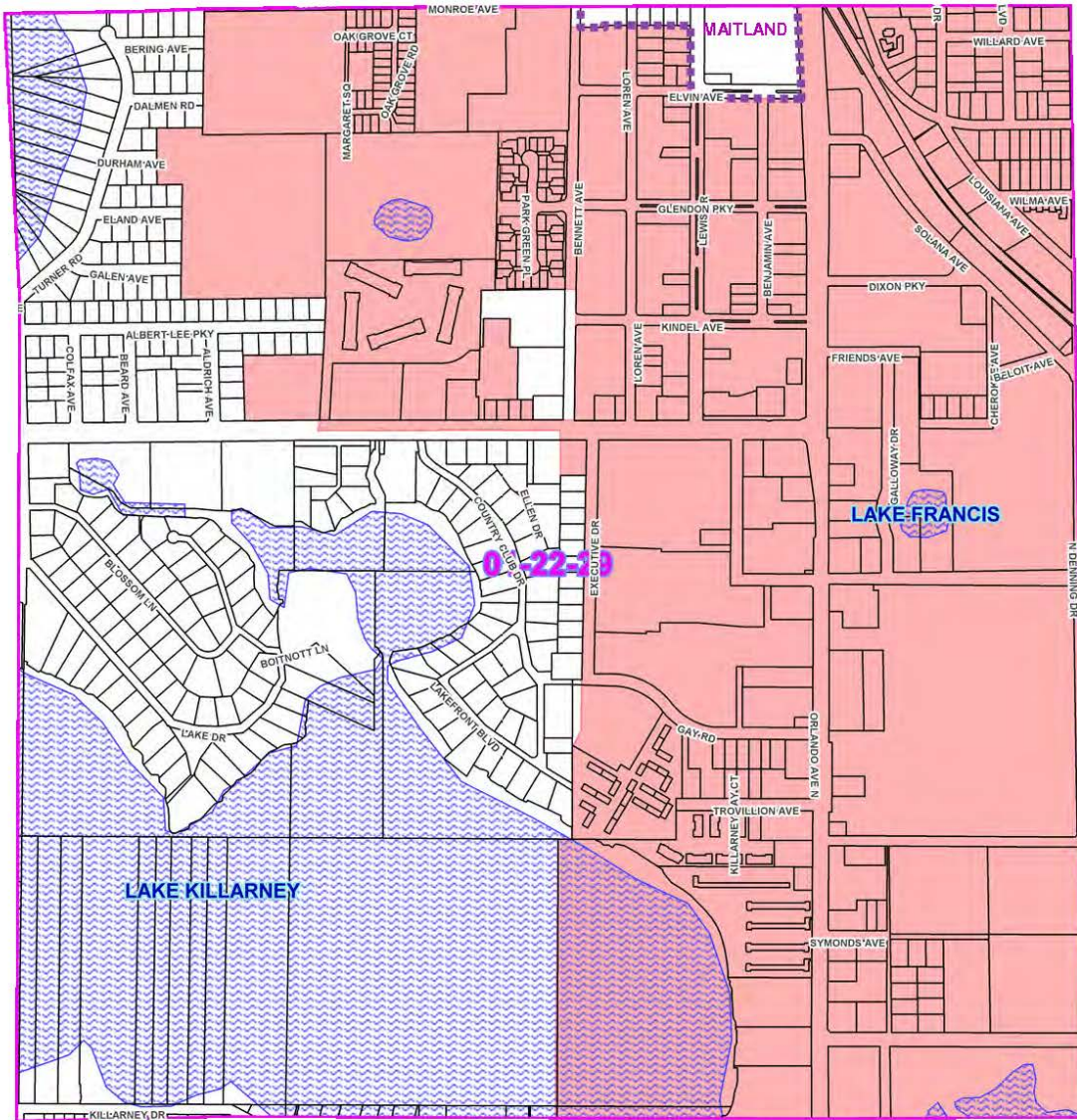
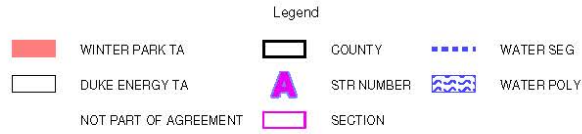


Exhibit A

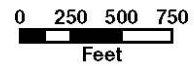
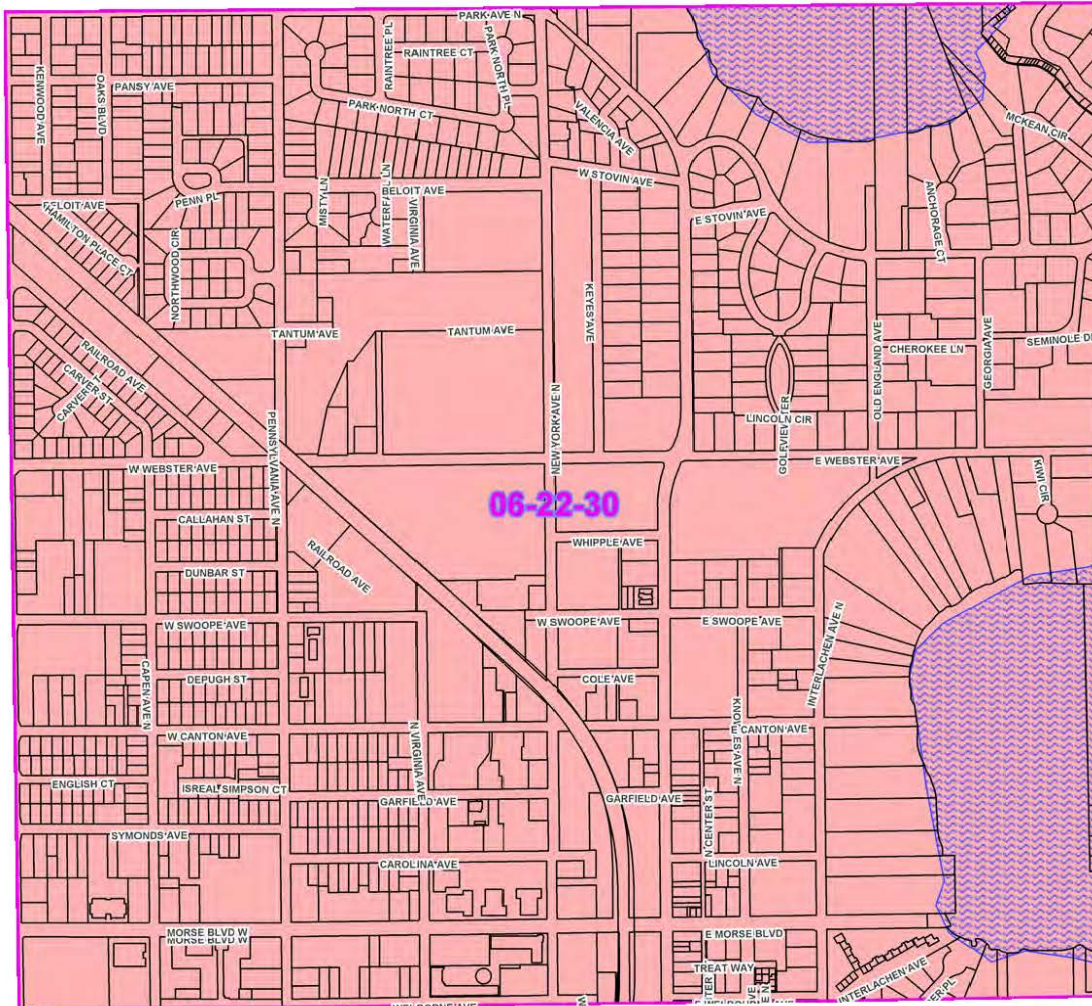
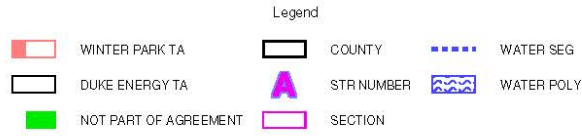


Exhibit A

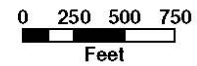
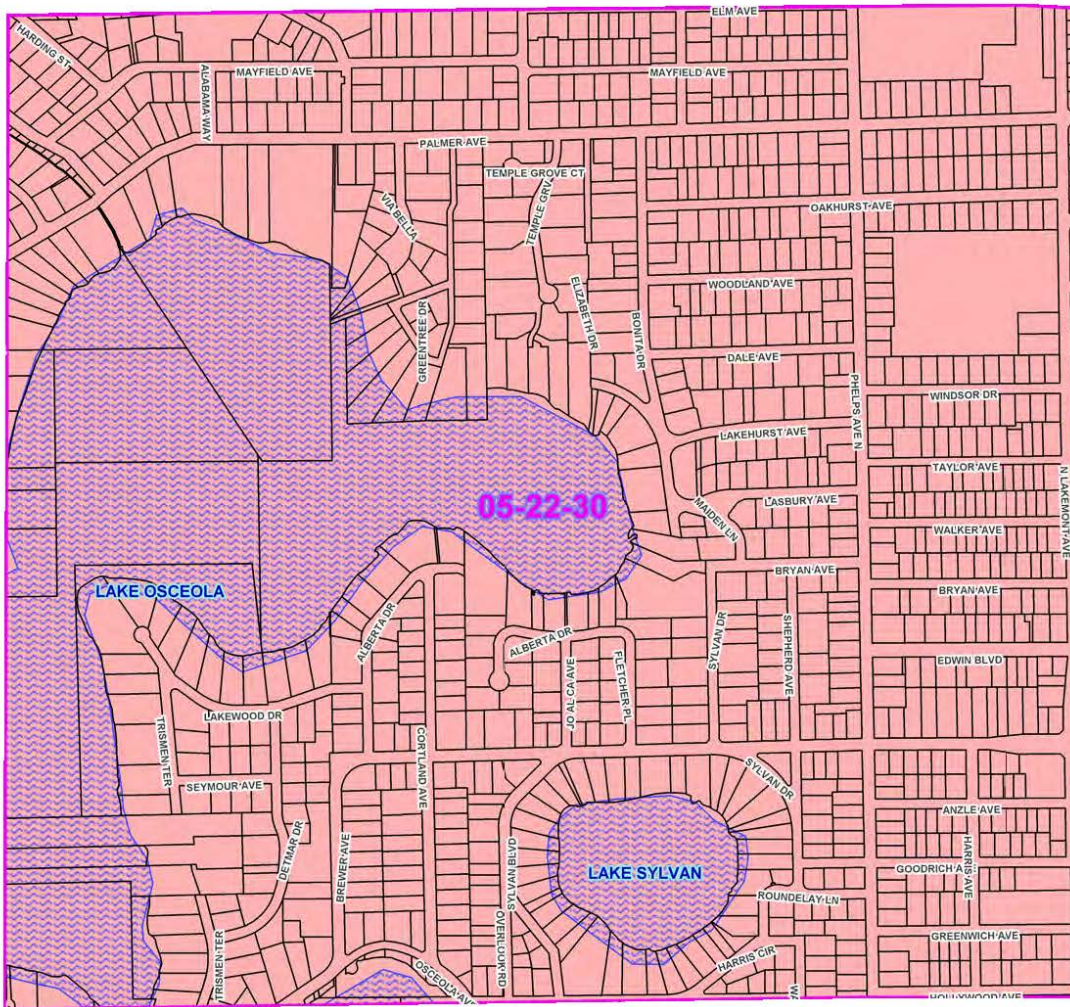
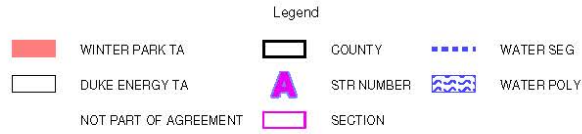


Exhibit A

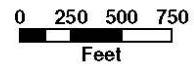
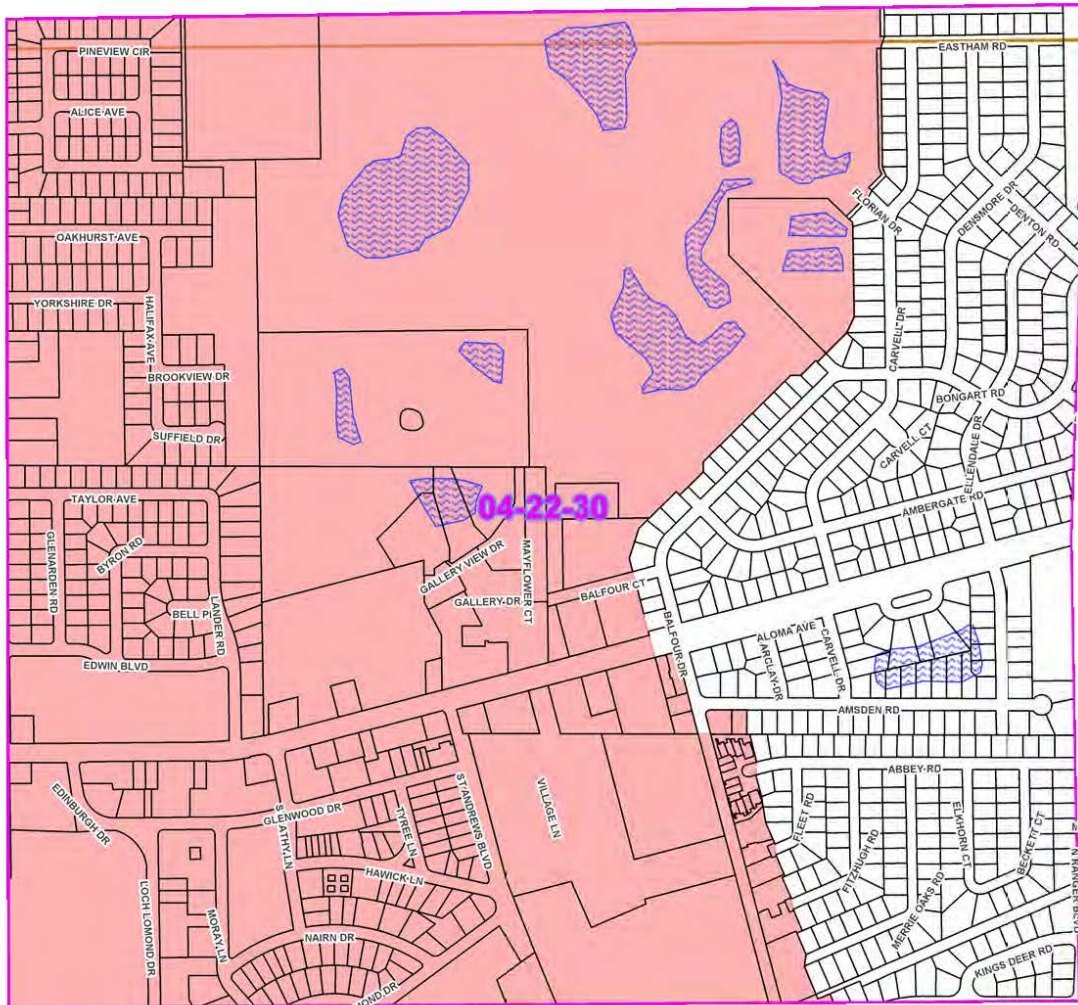
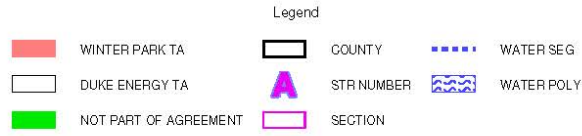


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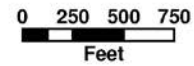
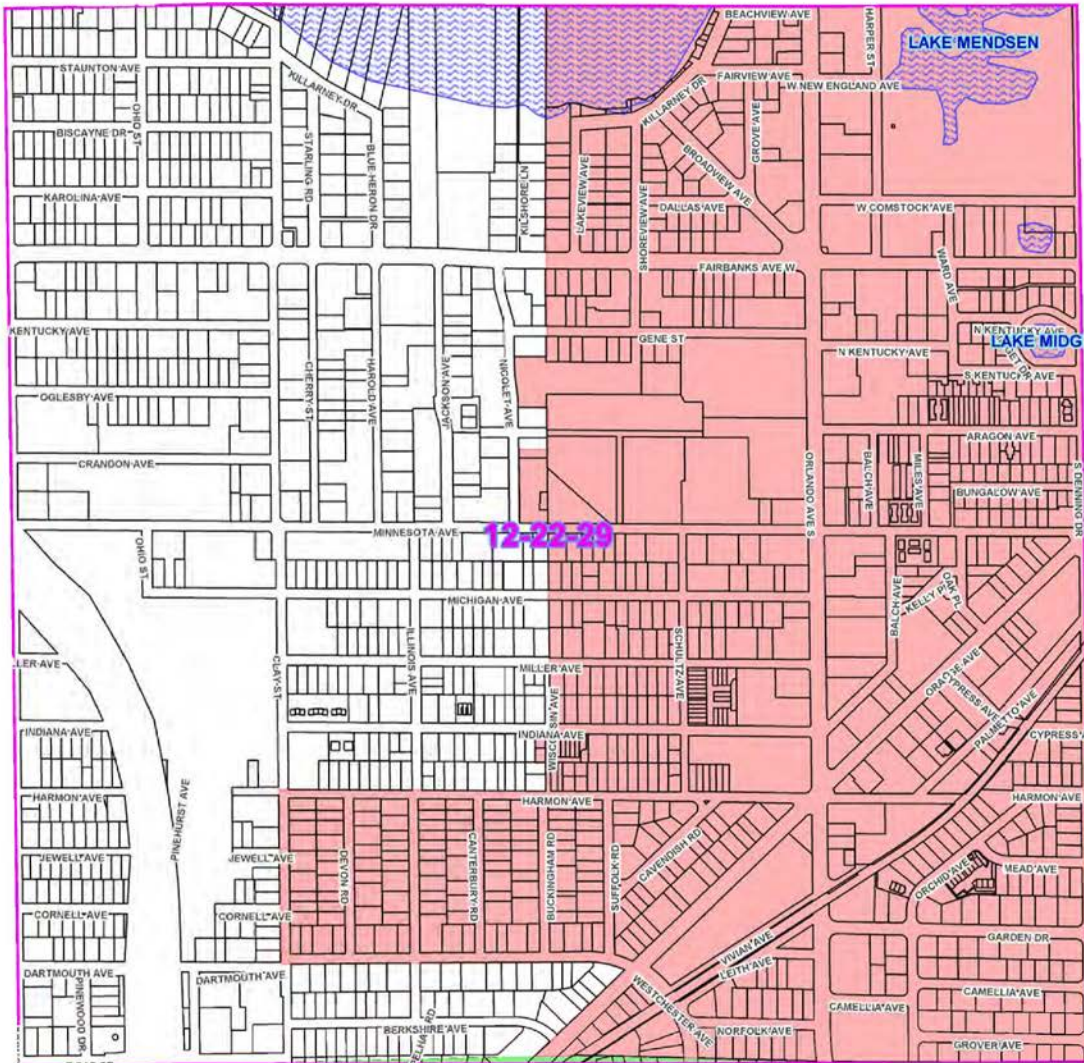
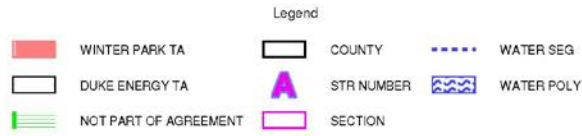


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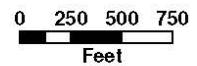
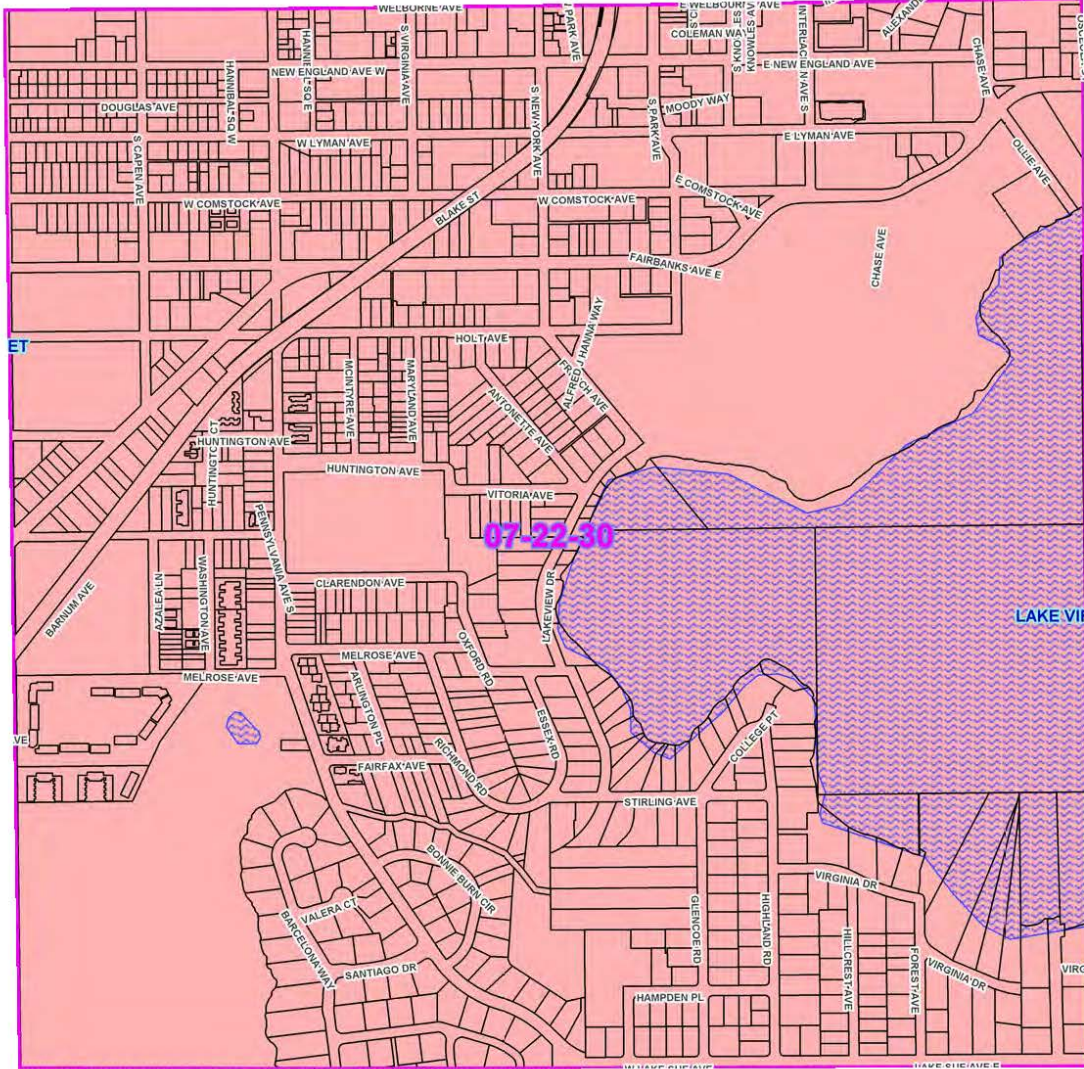
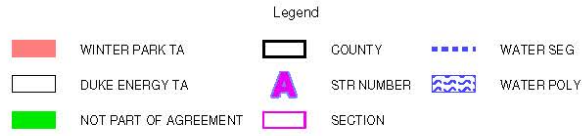


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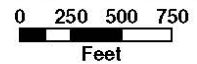
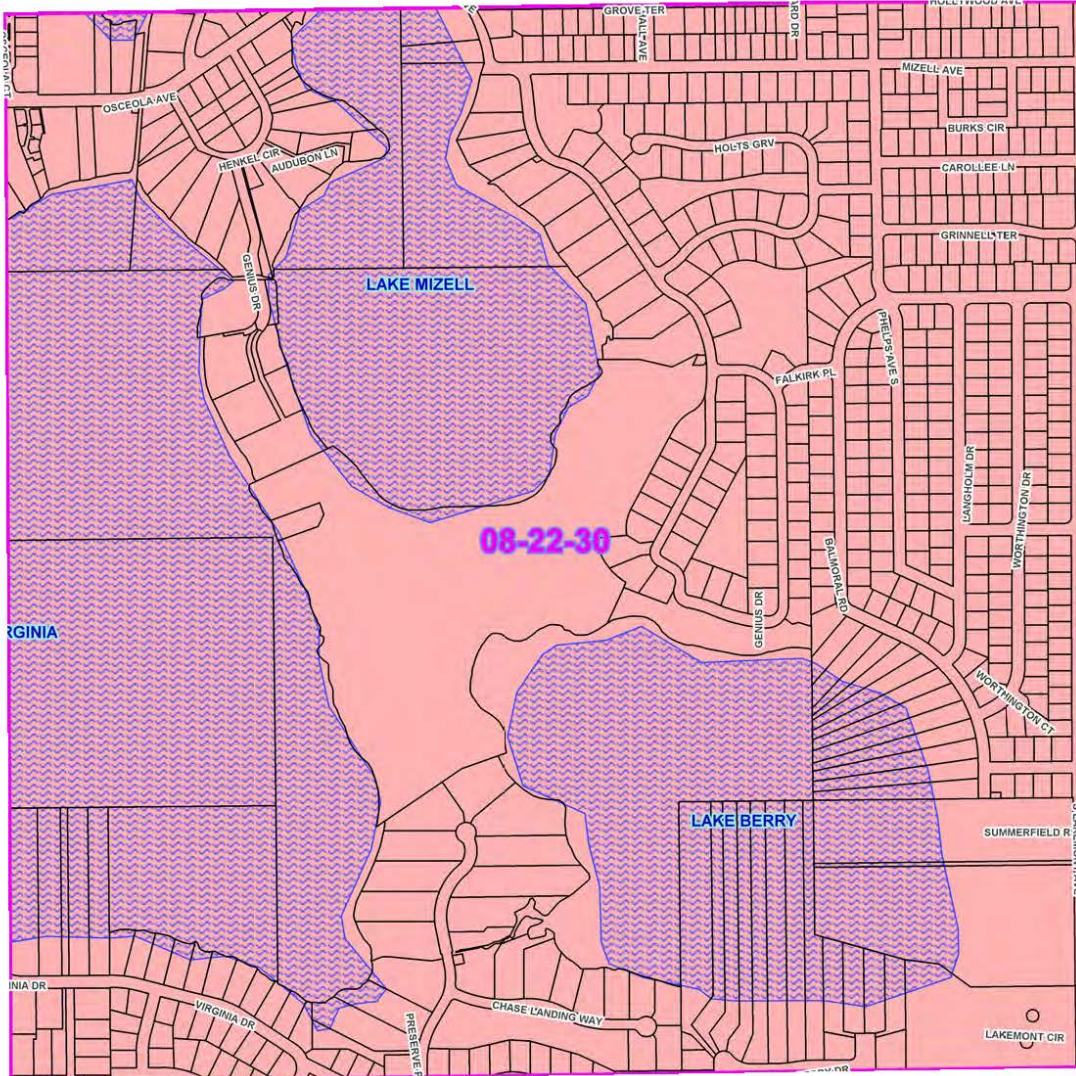
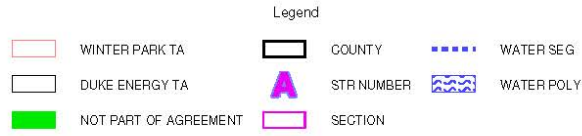


Exhibit A

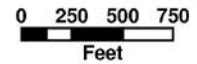
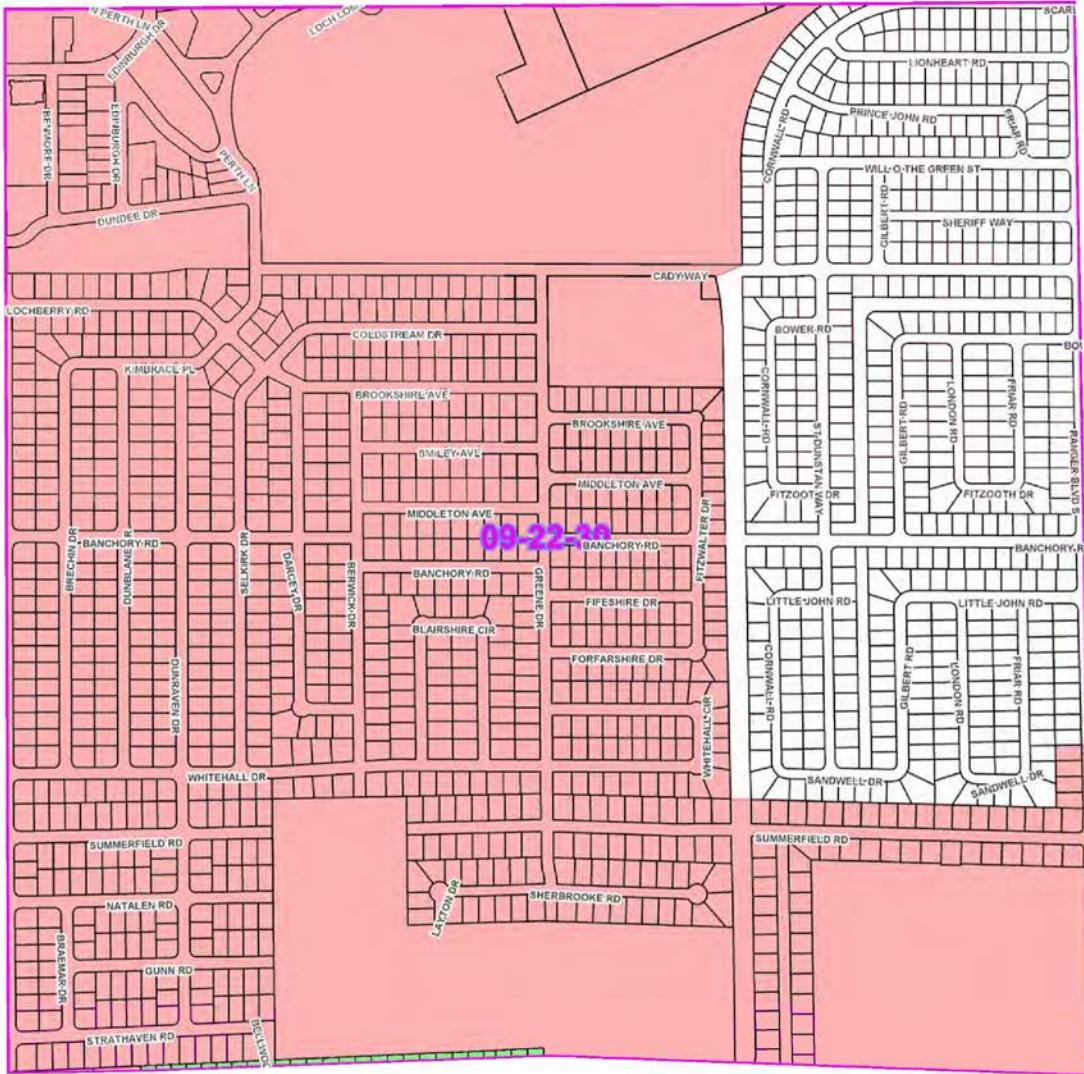
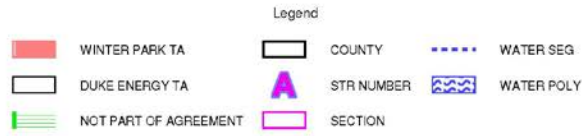


Exhibit A

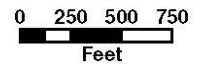
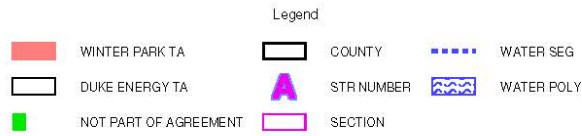
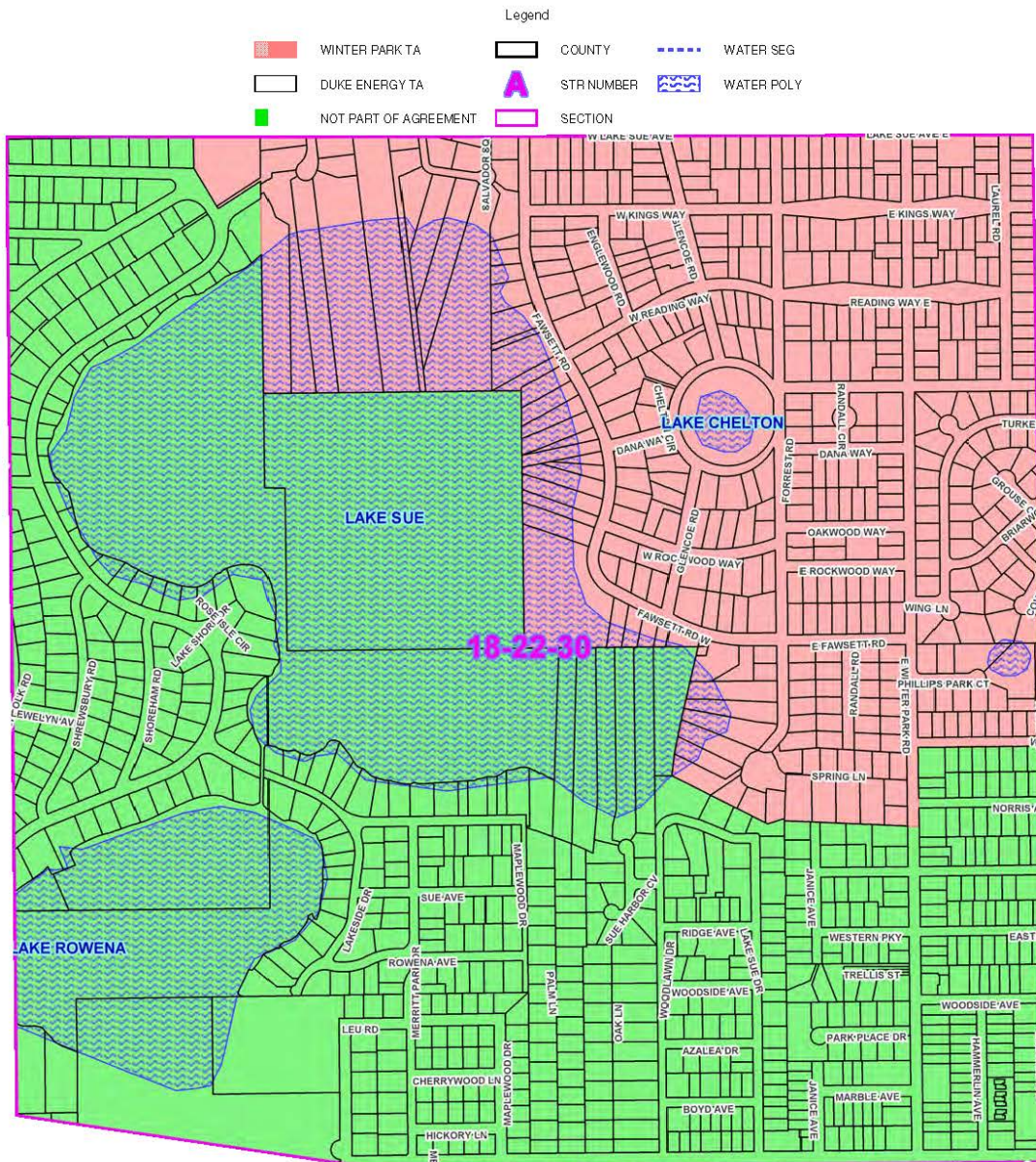


Exhibit A



- Legend
- WINTER PARK TA
 - DUKE ENERGY TA
 - NOT PART OF AGREEMENT
 - COUNTY
 - STR NUMBER
 - SECTION
 - WATER SEG
 - WATER POLY

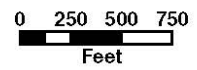


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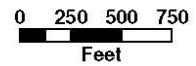
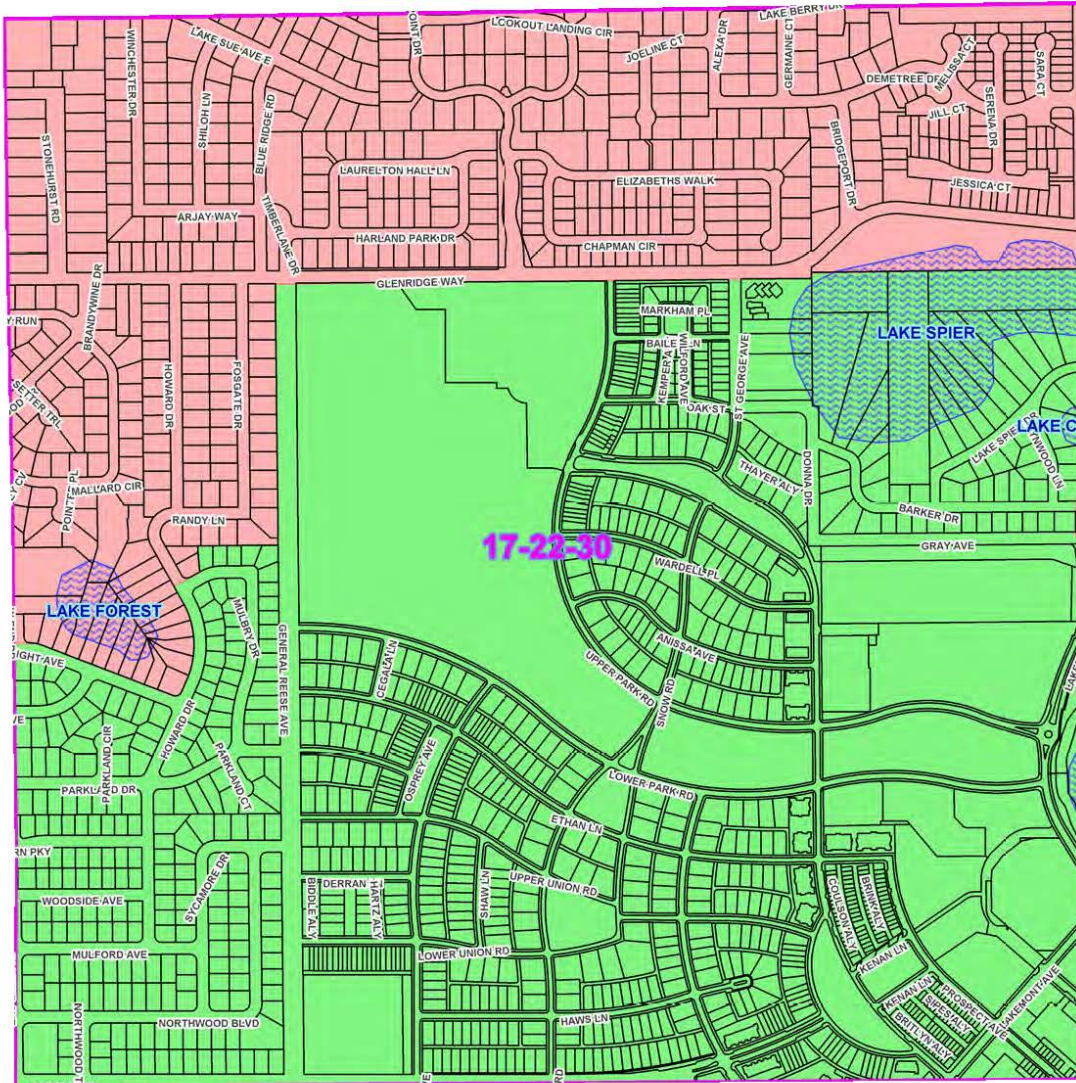
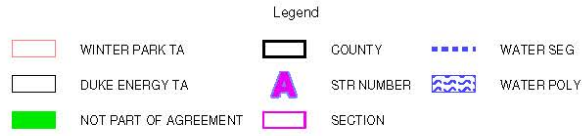


Exhibit A

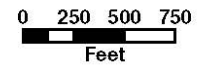
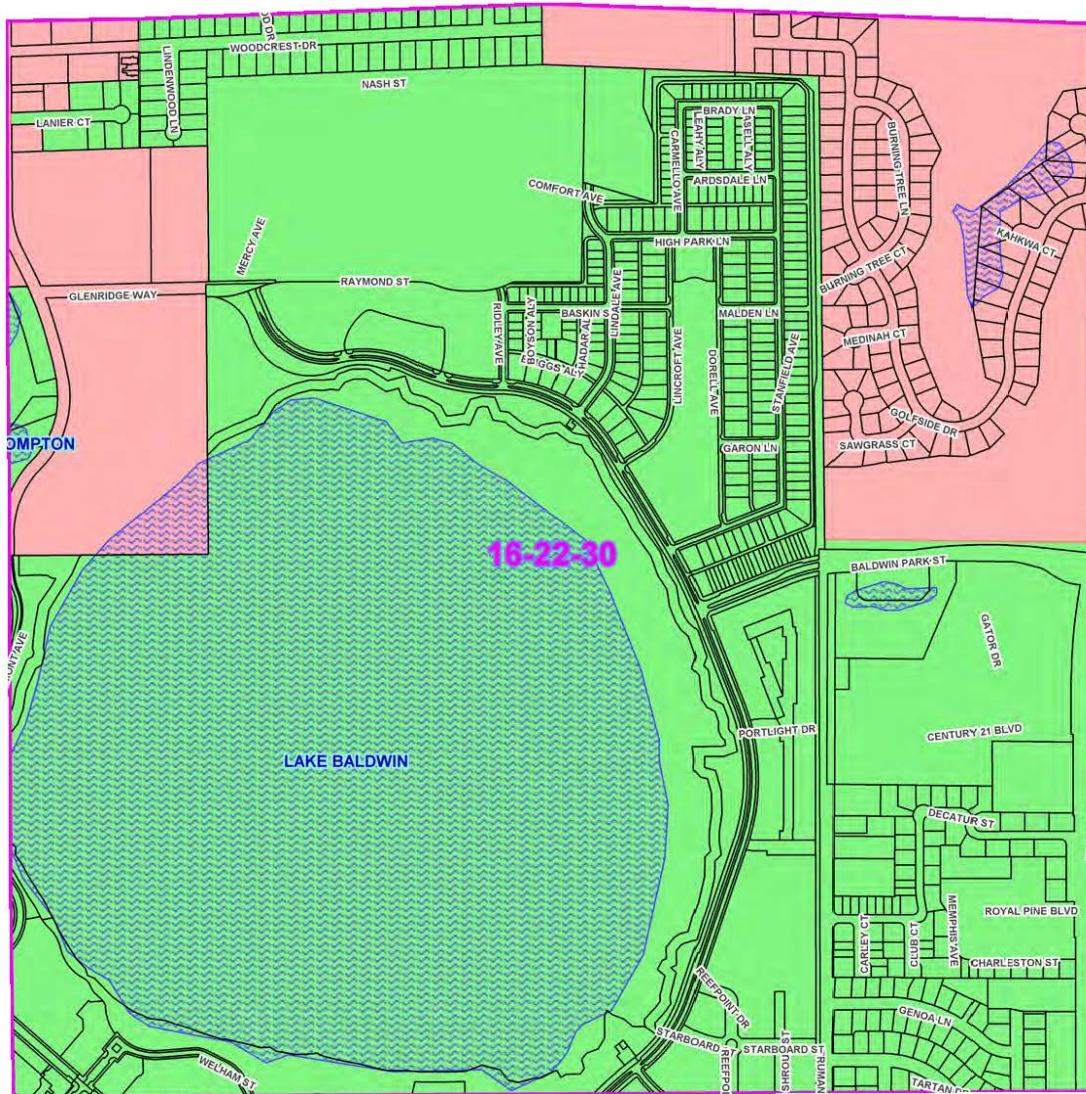
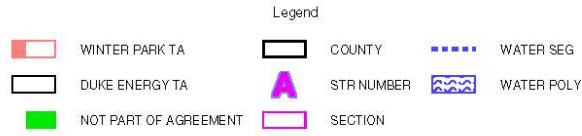


Exhibit A

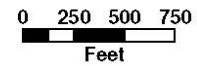
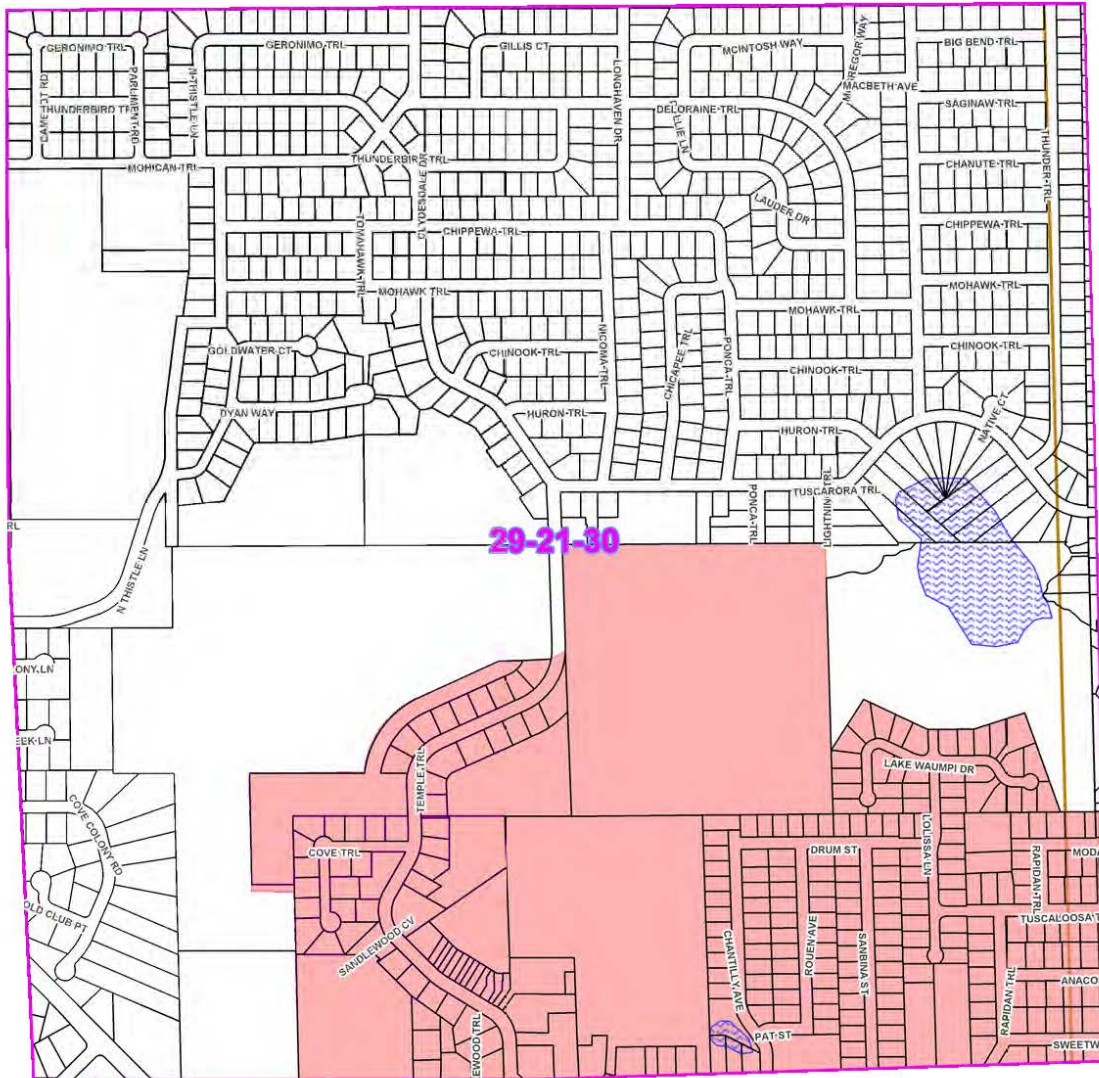
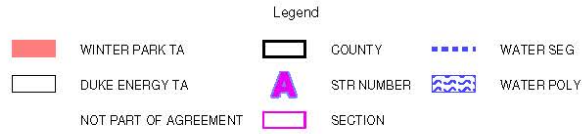


EXHIBIT B

LOCATION OF ALL EXTRA-TERRITORIAL CUSTOMERS INCLUDING CUSTOMERS LISTED ON EXHIBIT C AND EXHIBIT D

Exhibit B

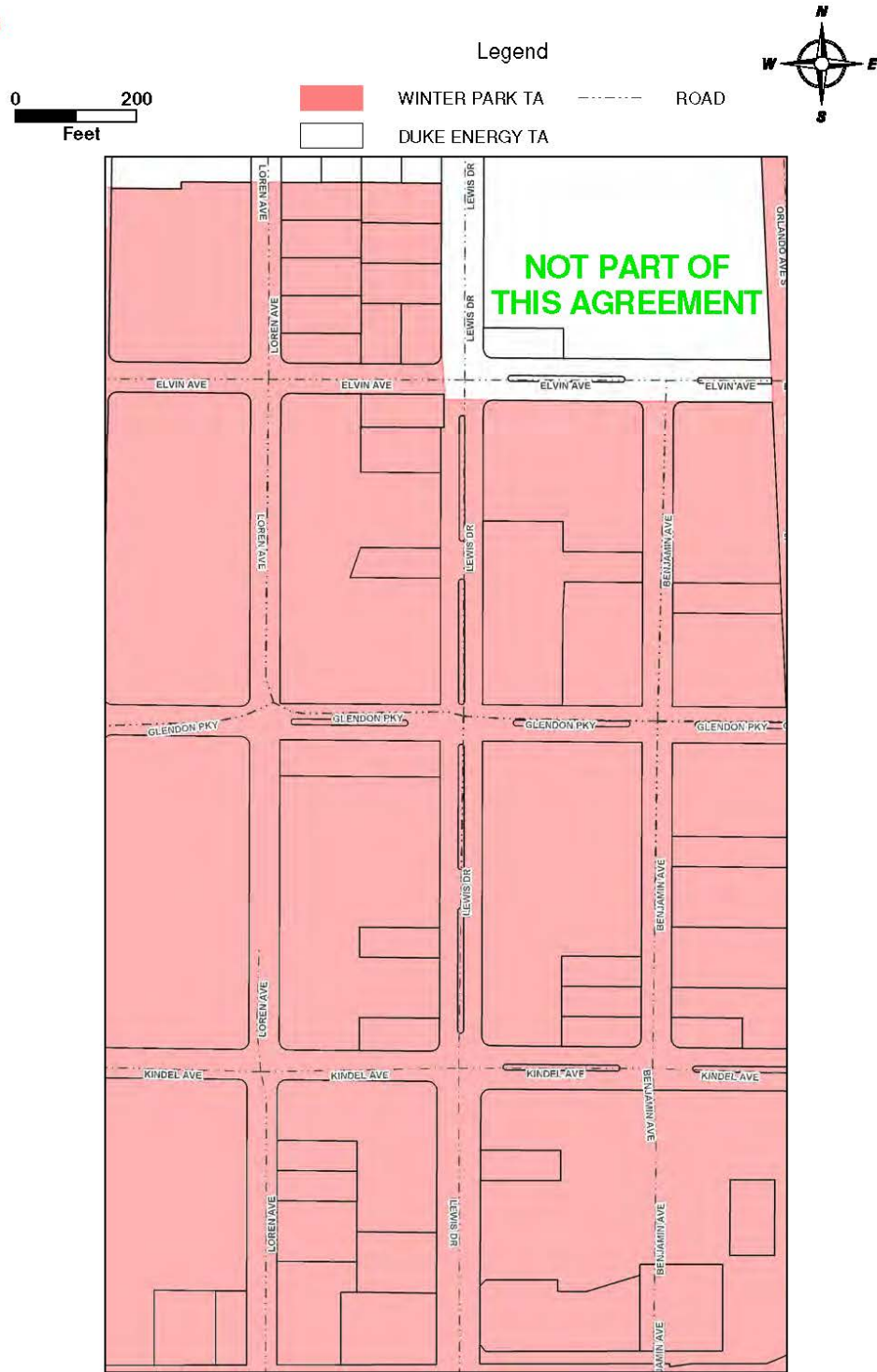


EXHIBIT C

TEMPORARY SERVICE EXTRA-TERRITORIAL CUSTOMERS TRANSFERRED FROM DEF TO WINTER PARK

No.	Name	Service Address	Premise Number
1.	Fuji Sushi	1449 Lee Road, Winter Park, FL 32789	474629794
2.	Fortis Enterprises LLC	933 Lewis Drive, Suite A, Winter Park, FL 32789	474627782
3.	Savage Partners LLC	933 Lewis Drive, Suite B, Winter Park, FL 32789	474628788
4.	Savage Partners LLC	933 Lewis Drive, Suite C, Winter Park, FL 32789	474628285
5.	Savage Partners LLC	933 Lewis Drive, Winter Park, FL 32789	474629291
6.	Precision Paint	989 Lewis Drive, Winter Park, FL 32789	605537556
7.	Brannon Construction	1006 Lewis Drive, Winter Park, FL 32789	474611183
8.	Valerie Campos	1101 Lewis Drive, Winter Park, FL 32789	474622249
9.	Raymond Naffke (light)	1101 Lewis Drive, Winter Park, FL 32789	193419159
Temporary Service Customers are being served by Winter Park as of 2-15-13.			

EXHIBIT D

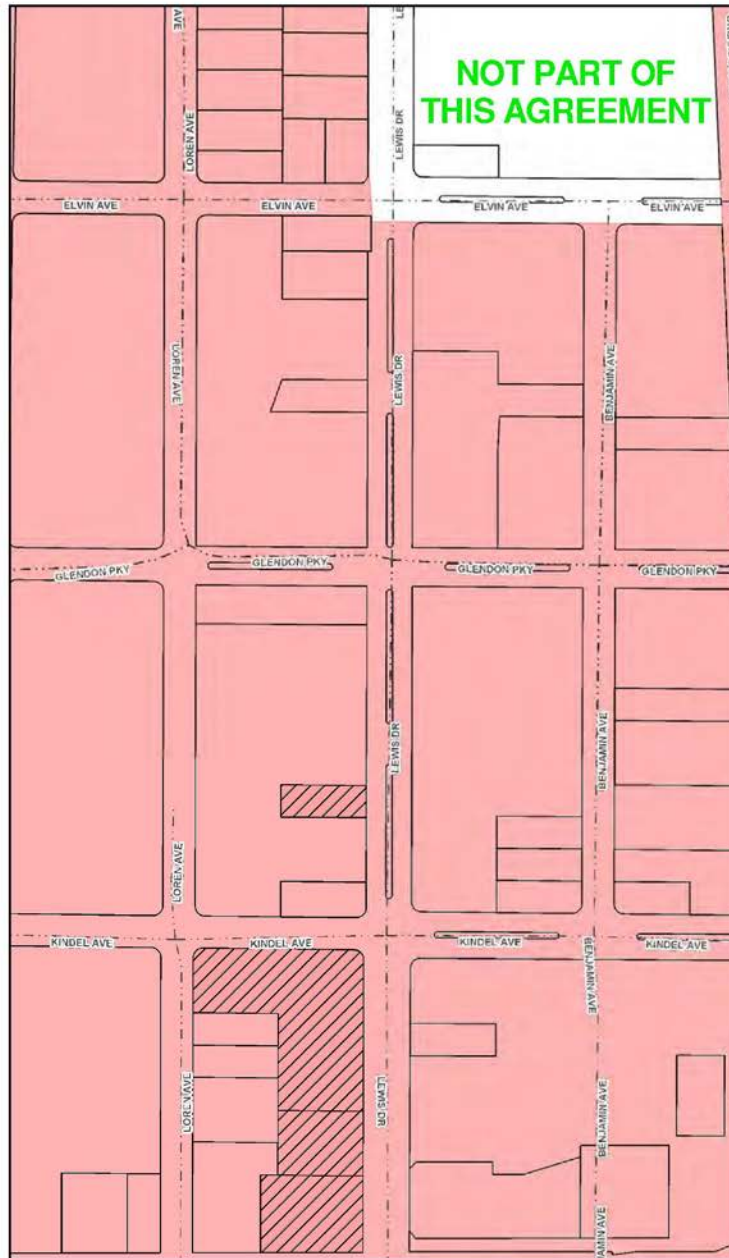
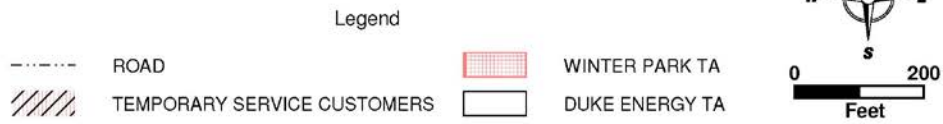
EXTRA-TERRITORIAL CUSTOMERS TO BE SERVED BY WINTER PARK

No.	Name	Service Address	Premise Number
1.	Lin Ha Corporation (Dryclean World)	1451 Lee Road, Winter Park, FL 32789	474630297
2.	Tetra Tech EC Inc.	1451 Lee Road, Winter Park, FL 32789	874295939

EXHIBIT E

LOCATION OF EXHIBIT C EXTRA-TERRITORIAL CUSTOMERS

Exhibit E



Item 5

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 23, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Office of Telecommunications (Beard, Earnhart) *CE*
Office of the General Counsel (Hopkins) *PH*

RE: Docket No. 130262-TX – Bankruptcy cancellation by Florida Public Service Commission of Certificate of Necessity No. 8623, issued to Broadstar, LLC d/b/a PrimeCast, effective October 15, 2013.

AGENDA: 02/04/14 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

Broadstar, LLC d/b/a PrimeCast (Broadstar) currently holds local exchange telecommunications company Certificate No. 8623, issued on June 13, 2006.

On October 21, 2013, the Florida Public Service Commission (the Commission) received a letter dated October 15, 2013, from Jeffrey Burtch, the Chapter 7 Trustee representing Broadstar. The letter stated that Broadstar was not operating while in Chapter 7 bankruptcy and will not be operating in the future. As a result, Mr. Burtch is requesting a voluntary Bankruptcy cancellation of the company's local exchange telecommunications certificate.

Docket No. 130262-TX
Date: January 23, 2014

Broadstar filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court For The District of Delaware on April 26, 2012. That bankruptcy was converted to Chapter 7 bankruptcy on October 15, 2012, which is documented in Bankruptcy Case Number 12-11363-KG. Judge Kevin Gross was assigned to the Broadstar bankruptcy case. Broadstar's operating assets were sold to Capitol Broadband Ventures, LLC and Hotwire Communications, prior to the company filing for Chapter 11 bankruptcy.

In the letter dated October 15, 2013, Mr. Burtch requested a bankruptcy cancellation of the local exchange certificate because the company no longer has any funds available to pay the accrued unpaid penalty and interest of \$36 for 2009 or the minimum Regulatory Assessment Fees (RAF) for 2012 and 2013.

Pursuant to Section 364.336, Florida Statutes (F.S.), telecommunications companies must pay a minimum annual RAF if the certificate or registration was active during any portion of the calendar year and late payment charges as outlined in Section 350.113, F.S., for any delinquent amounts.

This recommendation addresses Broadstar's request for bankruptcy cancellation of its local exchange certificate. We are vested with jurisdiction over this matter pursuant to Chapter 364, F.S., and Section 350.113, F.S.

Discussion of Issues

Issue 1: Should the Commission grant Broadstar, as set forth in Attachment A, cancellation of its local exchange telecommunications company Certificate No. 8623, with an effective date of October 15, 2013, due to bankruptcy; direct the Division of Administrative and Information Technology Services to request permission from the Florida Department of Financial Services to write off any unpaid Regulatory Assessment Fees, including statutory late payment charges, instead of requesting collection services; and require the company to immediately cease and desist providing local exchange services in Florida?

Recommendation: Yes, the Commission should grant Broadstar, as set forth in Attachment A, cancellation of its local exchange telecommunications company Certificate No. 8623, with an effective date of October 15, 2013, due to bankruptcy; direct the Division of Administrative and Information Technology Services to request permission from the Florida Department of Financial Services to write off any unpaid Regulatory Assessment Fees, including statutory late payment charges, instead of requesting collection services; and require the company to immediately cease and desist providing competitive local exchange services in Florida.
(Beard, Earnhart)

Staff Analysis: See attached proposed Order.

Docket No. 130262-TX
Date: January 23, 2014

Issue 2: Should this docket be closed?

Recommendation: Yes, this docket should be closed if no protest is filed within 21 days and upon issuance of a Consummating Order. (Hopkins)

Staff Analysis: The Order issued from this recommendation will become final upon issuance of a Consummating Order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the Proposed Agency Action Order. This docket should then be closed upon issuance of a Consummating Order.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Bankruptcy cancellation by Florida
Public Service Commission of Certificate of
Necessity No. 8623, issued to Broadstar, LLC
d/b/a PrimeCast, effective October 15, 2013.

DOCKET NO. 130262-TX
ORDER NO.
ISSUED:

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION ORDER
GRANTING CANCELLATION OF COMPETITIVE LOCAL EXCHANGE CERTIFICATE
DUE TO BANKRUPTCY

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.

Broadstar, LLC d/b/a PrimeCast (Broadstar) currently holds local exchange telecommunications company Certificate No. 8623, issued on June 13, 2006.

On October 21, 2013, this Commission received a letter dated October 15, 2013, from the Chapter 7 Trustee of the company, Jeffrey Burtch, stating that Broadstar did not operate in the Chapter 7 bankruptcy and will not be operating in the future. As a result, Mr. Burtch is requesting a voluntary Bankruptcy cancellation of the company's local exchange telecommunications certificate.

Broadstar, LLC filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court For The District of Delaware on April 26, 2012, which was converted to Chapter 7 bankruptcy on October 15, 2012, as documented in Bankruptcy Case Number 12-11363-KG. Judge Kevin Gross was assigned to the Broadstar bankruptcy case. Broadstar's operating assets were sold to Capitol Broadband Ventures, LLC and Hotwire Communications, prior to the company filing for Chapter 11 bankruptcy.

In the letter dated October 15, 2013, Mr. Burtch requested a bankruptcy cancellation of the local exchange certificate because the company no longer has any funds available to pay the accrued unpaid penalty and interest of \$36 for 2009 or the minimum Regulatory Assessment Fees (RAF) for 2012 and 2013.

Broadstar has filed for bankruptcy, and pursuant to 11 U.S.C. § 362 (a) (1) and (a) (2) of the US Bankruptcy Code, the filing of a petition for bankruptcy relief acts as an administrative action or proceeding against the debtor that was or could have commenced before the bankruptcy case or to enforce a judgment obtained before the bankruptcy case against the debtor.¹ Additionally, in any bankruptcy liquidation or reorganization, secured creditors are given the highest priority in the distribution and, normally, receive all of the distributed assets. RAFs, late payment charges, and penalties owed by a company to the Florida Public Service Commission, as well as monetary settlements of cases resolving issues of failure to pay such fees, are not secured debts and, as a practical matter, are uncollectible in a bankruptcy proceeding where liquidation occurs. Therefore, this Commission would be prevented from collecting the RAFs owed by this company, and from assessing and collecting a penalty for failure to pay the fees. Broadstar owes accrued unpaid penalty and interest of \$36 for 2009, the 2012 RAF, plus the statutory late payment charges and the 2013 RAF for Certificate No. 8623.

We are vested with jurisdiction over this matter pursuant to Chapter 364, F.S., and Section 350.113, F.S. Pursuant to Section 364.336, F.S., telecommunications companies must pay a minimum annual RAF if the certificate was active during any portion of the calendar year and provides for late payment charges as outlined in Section 350.113, F.S., for any delinquent amounts.

Accordingly, we hereby find that Broadstar's Certificate No. 8623, shall be cancelled due to bankruptcy, effective October 15, 2013. In addition, any unpaid RAFs shall not be sent to the Florida Department of Financial Services for collection, and permission for this Commission to write off the uncollectible amount shall be requested. Broadstar shall immediately cease and desist providing local exchange services in Florida.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Broadstar's Certificate No. 8623 to provide local exchange telecommunications service is hereby cancelled, effective October 15, 2013, due to bankruptcy. It is further

ORDERED that the outstanding RAFs, including accrued statutory late payment charges, shall not be sent to the Department of Financial Services for collection. The Division of Administrative Services shall request permission to write off the uncollectible amount. It is further

¹ See also 11 USCS § 362 (a) (6) which states that bankruptcy filing operates as a stay for any act, to collect, assess, or recover a claim that arose before the bankruptcy filing.

ORDERED that if Broadstar's certificate is cancelled in accordance with this Order, it shall immediately cease and desist providing telecommunication services in Florida. 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, F.A.C., is received by the Office of 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 _____ day of _____, _____.

CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

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

SMH

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 _____.

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.

Item 6

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 23, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Accounting and Finance (Maurey, Springer)
 Division of Economics (Hudson, Roberts) *HL*
 Division of Engineering (Lewis, Rieger, Vickery) *CKL JVS*
 Office of the General Counsel (Murphy) *cm*

RE: Docket No. 100471-SU – Application for staff-assisted rate case in Marion County by S & L Utilities, Inc.

RECEIVED - FPSC
14 JAN 23 AM 10:09
COMMISSION CLERK

AGENDA: 02/04/14 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Brisé

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

S & L Utilities, Inc., (S & L or Utility) is a Class C utility providing wastewater service to approximately 76 customers in Marion County. The Utility is located in the Southwest Florida Water Management District (SWFWMD). In its 2012 Annual Report, S & L reported operating revenues of \$53,456 and operating expenses of \$58,042.

On December 22, 2010, S & L filed an application for a staff-assisted rate case. By Order No. PSC-11-0444-PAA-SU, the Commission approved Phase I and Phase II rates.¹ The

¹ See Order No. PSC-11-0444-PAA-SU, in Docket No. 100471-SU, issued October 7, 2011, In re: Application for staff-assisted rate case in Marion County by S & L Utilities, Inc.

Phase II rates were to be implemented once the Utility had completed pro forma plant additions of \$55,997 for the replacement of two air blowers, videography of the lines in the collection system, and percolation pond cleaning. The Utility was given 12 months from the effective date of the Consummating Order to complete the plant additions. The 12-month period ended on November 1, 2012.

On January 8, 2013, the Utility indicated it had completed the videography of the lines and the percolation pond cleaning. However, the Utility had not replaced the two air blowers and requested an extension until November 1, 2013. By Order No. PSC-13-0137-PAA-SU,² the Commission approved the Utility's extension request, revised the Phase II rates to reflect the pro forma plant additions that were completed, and approved Phase III rates that would become effective once the two air blowers were replaced.

By letter dated January 21, 2014, S & L indicated that it does not intend to replace the two air blowers and requested to not implement Phase III rates and close the docket. This recommendation addresses the Utility's request to not implement Phase III rates and close the docket. The Commission has the authority to consider this matter pursuant to Section 367.0814, Florida Statutes (F.S.).

² See Order No. PSC-13-0137-PAA-SU, in Docket No. 100471-SU, issued March 22, 2013, In re: Application for staff-assisted rate case in Marion County by S & L Utilities, Inc.

Discussion of Issues

Issue 1: Should the Utility's request to not implement Phase III rates and close the docket be approved?

Recommendation: Yes. The Utility's request to not implement Phase III rates and close the docket should be granted. If no timely protest is filed by a substantially affected person, this docket should be closed upon the issuance of a Consummating Order. (Rieger, Roberts)

Staff Analysis: As discussed in the case background, by Order No. PSC-13-0137-PAA-SU, the Commission approved a revised Phase II flat rate of \$67.31, which became effective on May 1, 2013. This Phase II flat rate included the costs associated with the completion of the percolation pond cleaning. Also, the Utility had completed the videography of the collection lines. However, there was no cost associated with the videography of the collection lines to the Utility because funding was provided by the Florida Rural Water Association. The Order also granted the Utility an extension of time until November 1, 2013, to replace the two air blowers. A Phase III rate of \$69.07 was approved based on the expected costs of \$16,654 to replace the air blowers.

Prior to November 1, 2013, staff contacted the Utility to get a status report on the replacement of the two air blowers. By letter dated December 23, 2013, the Utility indicated that it is still unable to replace the two air blowers due to its current financial position and requested an extension of time to November 1, 2014, to replace the blowers. Also, the Utility indicated that the existing air blowers have been serviced and are performing at their proper function.

Staff subsequently contacted the Utility to discuss the Utility's plans for financing the replacement of the air blowers and the expected completion date for replacing the air blowers. The Utility responded that one of the air blowers was completely rebuilt and the other is old but in proper working condition. The Utility filed a letter on January 21, 2014, indicating it does not intend to replace the air blowers at this time and requesting that the Phase III rates not be implemented and the docket be closed. The Utility also provided an email from its plant operator stating that both air blowers are working properly and do not need to be replaced at this time. According to the Florida Department of Environmental Protection (DEP), the replacement of the two blowers was not a requirement and the Utility is currently in compliance.

Based on the above, staff recommends that the Utility's request to not implement Phase III rates and close the docket be granted. If no timely protest is filed by a substantially affected person, this docket should be closed upon the issuance of a Consummating Order.

Item 7

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 23, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Brown) *SB*
Office of Industry Development and Market Analysis (Breman) *JAN 23 J.W.P.*
Office of the General Counsel (Lawson) *JB CH MT*

RECEIVED FPSC
14 JAN 23 PM 2:02
COMMISSION CLERK

RE: Docket No. 080271-EI – Status of Joint-Ownership of discussions associated with Florida Power & Light's Turkey Point Units 6 and 7.
Docket No. 140009-EI – Nuclear Cost Recovery Clause.

AGENDA: 02/04/14 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Balbis (080271-EI) *CB*
Brown (140009-EI)

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On October 16, 2007, Florida Power & Light Company (FPL) filed a petition seeking approval from the Florida Public Service Commission (Commission) for a determination of need for the Turkey Point Nuclear Units 6 and 7 (Turkey Point 6 and 7), pursuant to Section 403.519, Florida Statutes (F.S.), and Rule 25-22.080, Florida Administrative Code (F.A.C.). The Office of Public Counsel (OPC), Florida Municipal Electric Association (FMEA), Florida Municipal Power Agency (FMPA), JEA, Seminole Electric Cooperative, Inc. (Seminole), Orlando Utilities Commission (OUC), and Bob and Jan Krasowski (Krasowski) submitted petitions to intervene, and were granted permission to participate in the proceeding.

A formal administrative hearing was held on January 30 through February 1, 2008. At the beginning of the hearing, the Commission took up a preliminary matter regarding a proposed

Docket No. 080271-EI
Date: January 23, 2014

stipulation to Issue 7 in the case. Issue 7 addressed whether or not FPL's petition contained a required summary of any discussions with electric utilities regarding joint ownership of a portion of the capacity from the plant, consistent with the requirements of 403.519(4)(a)5., F.S., and Rule 25-22.081, F.A.C. The Commission found that the stipulation between FPL, FMEA, FMPPA, JEA, OUC, and Seminole was reasonable. The Commission's approval of the stipulation was memorialized in the final order approving FPL's petition for determination of need.¹ As a result of the stipulation, FMEA, FMPPA, JEA, OUC, and Seminole were excused from the hearing.

The stipulation approved in Order No. PSC-08-0237-FOF-EI committed the parties to hold good faith discussions regarding the potential for joint ownership in the capacity from Turkey Point 6 and 7. The Commission further required FPL to submit a summary or report of those discussions to the Commission on a quarterly basis. Docket No. 080271-EI² was opened as a vehicle to monitor the status of joint ownership discussions associated with purchasing power from FPL's Turkey Point 6 and 7. This recommendation addresses a proposed adjustment to the reporting requirements in the Commission's order.

The Commission has jurisdiction over the subject matter of this proceeding pursuant to Sections 366.04(2)(c) and (5), 403.507(4), and 403.519, F.S.

¹ Order No. PSC-08-0237-FOF-EI, in Docket No. 070650-EI, In re: Petition to determine need for Turkey Point Nuclear Units 6 & electrical power plant, by Florida Power & Light Company, issued April 11, 2008.

² Docket No. 080271-EI, In re: Status of Joint-Ownership of discussions associated with Florida Power & Light's Turkey Point 6 and 7.

Discussion of Issues

Issue 1: Should the Commission continue to require Florida Power & Light Company to file quarterly reports regarding joint discussions pertaining to joint ownership in Turkey Point 6 and 7?

Recommendation: No. FPL should be required to file an annual report on the progress discussions with FMEA, FMPA, JEA, Seminole, and OUC. In addition, the report should be included as part of FPL's recurring filings concerning the feasibility of completing the Turkey Point 6 and 7 Project as filed in the Commission's Nuclear Cost Recovery Clause beginning with Docket No. 140009-EI. Furthermore, the parties to the stipulation should no longer be prohibited from intervening in the NCRC docket for the purpose of addressing issues related to joint participation associated with FPL's Turkey Point 6 and 7. If any pending contract is agreed upon between FPL and any utility, FPL should be required to immediately inform the Commission and the other utilities who are parties to the stipulation. (S. Brown)

Staff Analysis: During the formal administrative hearing in FPL's petition to determine need for Turkey Point 6 and 7, a discussion was held regarding a proposed stipulation to Issue 7 between FPL, FMEA, FMPA, JEA, Seminole, and OUC. The Commission found that the stipulation between the companies was reasonable and as a result it was approved. The stipulation read as follows:

FPL has had initial discussions with FMEA, FMPA, and OUC regarding any mutual benefits that may accrue from joint participation in Turkey Point Units 6 & 7. No later than July 1, 2009, FPL will continue its good faith discussions with FMEA, FMPA, and OUC, and will also commence good faith discussions of joint participation in Turkey Point Units 6 & 7 with JEA and Seminole. FPL will report the status of such ongoing status discussions to the FPSC every quarter thereafter. The results of these status discussions shall be reported to the FPSC as part of a docket which will be opened by the FPSC pursuant to its authority under the Grid Bill as codified in the Florida Statutes, in order to provide the parties with such rights and remedies as may exist to the extent of the FPSC's jurisdiction thereunder. (emphasis added) FPL, FMPA, FMEA, JEA, OUC and Seminole each agree that such docket to be opened by the Commission pursuant to its Grid Bill authority is the sole forum for raising issues concerning joint participation in Turkey Point 6 and 7. FMPA, FMEA, JEA, OUC and Seminole each agree not to intervene or otherwise participate directly or indirectly in section 366.93, Florida Statutes, cost recovery proceedings for the purpose of addressing joint participation in Turkey Point 6 and 7. Nothing in this stipulation is intended to imply that ongoing status discussions necessarily will lead to an agreement among any of the parties for joint participation in Turkey Point 6 and 7 or that any party is obligated to enter into any such agreements.

Order No. PSC-08-0237-FOF-EI at pp. 3-4 (emphasis added).

Docket No. 080271-EI

As a result of the approved stipulation, the Commission opened Docket No. 080271-EI. The docket was opened to monitor the status of joint ownership discussions associated with FPL's Turkey Point 6 and 7. The Commission acknowledged that FPL and the other parties associated with the stipulation agreed to hold discussions regarding joint ownership. FPL has provided the Commission with a report on discussions the Company has held with the interested utilities on a quarterly basis since July 2009.

The reports have stated that FPL has conducted good faith discussions with interested parties regarding joint ownership of Turkey Point 6 and 7. In addition, as of the last report submitted to the Commission on January 2, 2014, no pending contracts have been signed.

In an effort to streamline the reporting process, while still meeting the intent of the Commission's order, staff considered the possibility of reducing the reporting requirements from quarterly to annually. Staff also considered whether to close the instant docket and move the reports to the Nuclear Cost Recovery Clause (NCRC) docket in order to improve administrative efficiency.

Staff notes that the prior stipulation approved in Order No. PSC-08-0237-FOF-EI also prohibits the parties from intervening in the NCRC for the purpose of addressing joint participation in Turkey Point 6 and 7. Staff believes that shifting the reporting requirement to the NCRC would require elimination of that prohibition in order to provide an opportunity for parties to address any issues concerning joint participation in Turkey Point 6 and 7 which may arise. If such issues do arise, the Commission may consider them in the NCRC docket or establish a spinoff docket.

Staff contacted the parties to the Commission-approved stipulation and inquired about their concerns if an annual report replaced quarterly reports. The responses from the parties varied; however, no party expressed objections to requiring annual, rather than quarterly reports. Several parties expressed the desire that the meetings continue because of the importance of remaining informed on any pending negotiations with other utilities. None objected to the NCRC docket being the vehicle for reporting on the status of discussions.

Future Compliance with the Order

This recommendation does not alter the Commission's instructions that FPL should provide status reports on meetings held with parties to explore possible joint ownership opportunities with respect to Turkey Point 6 and 7. Annual reporting is administratively more efficient and the NCRC is the appropriate docket to make this information available to all parties and other interested persons. Lastly, if any pending contract is agreed upon between FPL and any utility, FPL should be required to immediately inform the Commission and the other utilities who are parties to the stipulation.

Conclusion

Based on the foregoing, staff believes that FPL should continue to conduct meetings with the parties to the stipulation as stipulated in Order No. PSC-08-0237-FOF-EI. However, instead of filing quarterly reports with the Commission on those meetings, FPL should be directed to file an annual report commencing in the Commission's 2014 NCRC docket (Docket No. 140009-EI), as part of FPL's recurring filings concerning the feasibility of completing the Turkey Point 6 and 7 project. Furthermore, the parties to the stipulation should no longer be prohibited from intervening in the NCRC docket for the purpose of addressing issues related to joint participation associated with FPL's Turkey Point 6 and 7. If any pending contract is agreed upon between FPL and any utility, FPL should be required to immediately inform the Commission and the other utilities who are parties to the stipulation.

Docket No. 080271-EI

Date: January 23, 2014

these dockets *(CSA)*
Issue 2: Should ~~this docket~~ be closed?

Recommendation: *(CSA)* ~~Yes:~~ If the Commission approves staff's recommendation in Issue 1, then Docket No. 080271-EI should be closed and Docket No. 140009-EI should remain open. (Lawson)

Staff Analysis: If the Commission approves staff's recommendation in Issue 1, then Docket No. 080271-EI should be closed and Docket No. 140009-EI should remain open.

Item 8

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 23, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (King) *EW*
Office of the General Counsel (Young) *JWD.*
KC JSC

RE: Docket No. 130286-EI – Petition for approval of new commercial/industrial service rider by Florida Power & Light Company.

RECEIVED - FPSC
14 JAN 23 AM 8:33
COMMISSION CLERK

AGENDA: 02/04/14 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 02/05/14 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

On December 6, 2013, Florida Power & Light Company (FPL) filed a petition for approval of a new Commercial/Industrial Service Rider (CISR). The proposed CISR allows FPL the flexibility to negotiate pricing arrangements, within the parameters specified in the tariff, with customers who are at risk of leaving FPL's territory for more competitive options outside of Florida, or who may require competitive incentives to bring new load into Florida.

The Commission has approved essentially the same CISR tariff as proposed by FPL for Gulf Power Company (Gulf), Tampa Electric Company (TECO), and Duke Energy Florida.¹

¹ Gulf's CISR tariff was approved as a pilot in 1996 and made permanent in 2001. Order No. PSC-96-1219-FOF-EI, issued September 24, 1996, in Docket No. 960789-EI, In re: Petition for authority to implement proposed commercial/industrial service rider on pilot/experimental basis by Gulf Power Company and Order No. PSC-01-0390-TRF-EI, issued February 15, 2001, in Docket No. 001217-EI, In Re: Petition for authority to modify Commercial/Industrial Service Rider Pilot Study by Gulf Power Company. TECO's CISR tariff was approved as a

Docket No. 130286-EI
Date: January 23, 2014

The Commission has jurisdiction over this matter pursuant to Sections 366.04 and 366.06, Florida Statutes (F.S.).

pilot in 1998. TECO did not seek to make its tariff permanent after the 48-month pilot expired; however, the Stipulation and Settlement filed by TECO and other parties in Docket No. 130040-EI includes a new CISR. Order No. PSC-13-0443-FOF-EI, issued September 30, 2013, in Docket No. 130040-EI, In re: Petition for rate increase by Tampa Electric Company. Florida Power Corporation's (now Duke Energy Florida, Inc.) tariff was approved as a pilot in 2001 and made permanent in 2005. Order No. PSC-01-1789-TRF-EI, issued September 4, 2001, in Docket No. 010879-EI, In re: Petition for approval of a new pilot Commercial/Industrial Service Rider to replace existing Economic Development Rider by Florida Power Corporation and Order No. PSC-05-0945-S-EI, issued September 28, 2005, in Docket No. 050078-EI, In re: Petition for rate increase by Progress Energy Florida, Inc.

Discussion of Issues

Issue 1: Should the Commission approve FPL's proposed Commercial/Industrial Service Rider tariff?

Recommendation: Yes. The proposed tariff should be approved with an effective date of February 4, 2014. (King)

Staff Analysis: FPL currently has in place Economic Development Riders which provide specific discounts to the base demand and energy charges. The proposed CISR tariff would give FPL the flexibility to negotiate potentially greater discounts on the base energy and/or base demand charges with large commercial/industrial customers who can affirmatively demonstrate that they have viable lower cost alternatives to receiving their electric service from FPL. The CISR is available to both new and existing customers with loads of 2 megawatts (MW) or greater. An example of such customers could include a large data center. The CISR will be limited to 50 Contract Service Arrangements (CSAs) or a total of 300 MW of load (whichever limit is reached first). FPL believes these limitations will ensure that the CISR is targeted to the size of customer that has the ability and motivation to base its location decisions in substantial measure on electricity costs, and also avoid the potential for the CISR to become oversubscribed. FPL will not use the CISR to attract existing load currently served by another Florida electric utility to its service territory.

Customers must make a written request for service under the CISR and provide certain documentation. First, the customer must provide a legal attestation or affidavit stating that, but for the application of the CISR rate, the new or retained load would not be served by FPL. Second, the customer must provide documentation to show that there is a viable lower cost alternative to taking service from FPL. Third, existing customers must provide FPL with the results of a recent energy audit of the customer's physical facility identifying cost-saving energy improvements which could be made to reduce the customer's cost of energy. The requirements are intended to provide sufficient information for FPL to determine whether there is a basis and need for pricing negotiation under the CISR.

For customers meeting the eligibility criteria, FPL seeks approval to negotiate the rate, the term of the contract, and other conditions. The negotiated discount only applies to base energy and/or base demand charges. The rate must cover the incremental cost to serve the CISR load plus a contribution to fixed costs. In addition, all clause-related costs, including fuel, will be recovered from the CISR customer. The CISR customer will also pay the otherwise applicable customer charge plus an additional \$250 monthly customer charge to cover incremental CISR customer-related administrative costs. To avoid undue discrimination, FPL will maintain documentation to demonstrate that, in the event two similarly situated customers in the same industry request service under the CISR, there is no undue discrimination between the rates, terms, and conditions offered to the two customers.

If the rate, terms, and other conditions are agreed upon, the customer will be required to execute a CSA. The proposed tariff does not require that the Commission approve each CSA;

however, FPL will include, in its monthly Earnings Surveillance Reports, the difference between the revenues which would have been received under the otherwise applicable tariff rate and the CISR rate.² FPL may request a Commission prudence review subsequent to entering into a CSA. Should the Commission find that CSA to have been prudent, then that CSA would no longer be reported on the monthly Earnings Surveillance Reports. Staff notes that nothing precludes the Commission, pursuant to Section 366.06(2), F.S., from initiating a prudence review at any time on its own motion. Examples of circumstances that may trigger a review of the CSAs by the Commission are a request by FPL for a base rate increase, and, information in the monthly Earnings Surveillance Reports indicating that the difference between the revenues that would have been produced by FPL's standard tariff rates and the revenues resulting from the CSAs would, when added to FPL's actual revenues, result in a theoretical calculation of FPL's jurisdictional return on equity that exceeds the top of the Company's authorized range. For this review by the Commission, FPL will have the burden of proof that FPL's decision to enter into a particular CSA was in the best interest of its general body of customers.

As noted above, FPL's proposed CISR tariff does not affect the adjustment clauses and does not affect base rates between rate cases; therefore, the general body of ratepayers are held harmless. The proposal may affect FPL's reported earnings and return on equity on the monthly surveillance report. However, if a customer is truly at risk, and if the CSA revenues exceed the incremental cost to serve, then the general body of ratepayers will benefit from the proposed CISR tariff by providing an incentive to keep a large-volume customer on FPL's system. In addition, the filing is similar to the Gulf, TECO, and Duke CISR tariffs previously approved by the Commission. Therefore, staff recommends approval of FPL's CISR tariff.

² FPL also offered to file quarterly reports that would provide information regarding executed CSAs. Staff does not believe these quarterly filings are necessary since that information would be available upon request, if/when needed. Staff believes the information to be provided in the monthly earning surveillance reports regarding executed CSAs is adequate.

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Issue 2: Should this docket be closed?

Recommendation: If Issue 1 is approved, the tariff should become effective on February 4, 2014. If a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.
(Young)

Staff Analysis: Yes. If Issue 1 is approved, the tariff should become effective on February 4, 2014. If a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

Item 9

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 23, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Thompson) *SHK JWD PP*
Office of the General Counsel (Barrera) *JSC*

RE: Docket No. 130288-WS – Request for approval of late payment charge in Brevard County by Aquarina Utilities, Inc.

RECEIVED-FPSC
14 JAN 23 AM 10:09
COMMISSION CLERK

AGENDA: 02/04/14 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 02/10/14 (60-Day Effective Date)

SPECIAL INSTRUCTIONS: None

Case Background

Aquarina Utilities, Inc. (Aquarina or Utility) is a Class B water and wastewater utility serving approximately 411 customers in Brevard County. The Utility’s 2012 Annual Report indicates that the Utility’s operating revenues were \$250,314 and \$153,760 for water and wastewater, respectively.

On December 13, 2013, the Utility filed an application for approval of a late payment charge for its water and wastewater operations. This recommendation addresses Aquarina’s request to implement a late payment charge. The Commission has jurisdiction pursuant to Section 367.091, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should Aquarina's request to implement a \$7.00 late payment charge be approved?

Recommendation: Yes. Aquarina's request to implement a \$7.00 late payment charge should be approved. Aquarina should be required to file a proposed customer notice to reflect the Commission-approved charge. The approved charge should be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.). In addition, the approved charge should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date notice was given no less than ten days after the date of the notice. (Thompson)

Staff Analysis: Section 367.091, F.S., authorizes the Commission to establish, increase, or change a rate or charge other than monthly rates or services availability charges. The Utility is requesting a \$7.00 late payment charge to recover the cost of supplies and labor associated with processing late payment notices. The Utility's request for a late payment charge was accompanied by its reason for requesting the charge, as well as the cost justification required by Section 367.091, F.S.

The Utility has a total of 411 customer accounts and, according to the Utility, approximately 10 to 15 percent of the customers do not pay by the due date each month. As a courtesy, the Utility allows a three to five day grace period beyond the due date before it issues a late payment notice for discontinuance of service. After the expiration of the Utility's courtesy grace period, approximately five to six percent of the accounts are still delinquent and in need of a late payment notice. Based on historical data, the Utility anticipates it will prepare late payment notices for approximately 20 accounts per month.

In the past, the Commission has allowed 10-15 minutes per account for clerical and administrative labor to research, review, and prepare the notice.¹ The Utility indicated it spends approximately four hours per month processing late payment notices, which results in an average of 12 minutes per account (240 minutes/20 account) and is consistent with past Commission decisions. The late payment notices are processed by the account manager, which results in labor cost of \$7.00 (12/60 x \$35) per account. The cost basis for the late payment charge, including the labor, is shown below.

¹ See Order Nos. PSC-11-0204-TRF-SU, in Docket No. 100413-SU, issued April 25, 2011, In re: Request for approval of tariff amendment to include a late fee of \$14.00 in Polk County by West Lakeland Wastewater.; PSC-08-0255-PAA-WS, in Docket No. 070391-WS, issued April 24, 2008, In re: Application for certificates to provide water and wastewater service in Sumter County by Orange Blossom Utilities, Inc.; and PSC-01-2101-TRF-WS, in Docket No. 011122-WS, issued October 22, 2001, In re: Tariff filing to establish a late payment charge in Highlands County by Damon Utilities, Inc.

Cost Basis for Late Payment Charge

Labor	\$ 7.00
Printing	\$.17
Postage	\$.46
Supplies	<u>\$.10</u>
Total Cost	\$ 7.73

Based on staff's research, since the late 1990s, the Commission has approved late payment charges ranging from \$2.00 to \$7.00.² The purpose of this charge is not only to provide an incentive for customers to make timely payment, thereby reducing the number of delinquent accounts, but also to place the cost burden of processing delinquent accounts solely upon those who are cost causers.

Based on the above, staff recommends that Aquarina's request to implement a \$7.00 late payment charge should be approved. Aquarina should be required to file a proposed customer notice to reflect the Commission-approved charge. The approved charge should be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice. The Utility should provide proof of the date notice was given no less than ten days after the date of the notice.

² See Order Nos. PSC-01-2101-TRF-WS, in Docket No. 011122-WS, issued October 22, 2001, In re: Tariff filing to establish a late payment charge in Highlands County by Damon Utilities, Inc.; PSC-08-0255-PAA-WS, in Docket No. 070391-WS, issued April 24, 2008, In re: Application for certificates to provide water and wastewater service in Sumter County by Orange Blossom Utilities, Inc.; PSC-09-0752-PAA-WU, in Docket No. 090185-WU, issued November 16, 2009, In re: Application for grandfather certificate to operate water utility in St. Johns County by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility.; PSC-10-0257-TRF-WU, in Docket No. 090429-WU, issued April 26, 2010, In re: Request for approval of imposition of miscellaneous service charges, delinquent payment charge and meter tampering charge in Lake County, by Pine Harbour Water Utilities, LLC.; and PSC-11-0204-TRF-SU, in Docket No. 100413-SU, issued April 25, 2011, In re: Request for approval of tariff amendment to include a late fee of \$14.00 in Polk County by West Lakeland Wastewater.

Issue 2 Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, the docket should remain open for staff's verification that the revised tariff sheet and customer notice have been filed by the Utility and approved by staff. The revised tariff sheet should become effective on or after the stamped approval date on the revised tariff sheet, pursuant to Rule 25-30.475, F.A.C. If a protest is filed within 21 days of the issuance date of the Order, the tariff should remain in effect with all late payment charges held subject to refund pending resolution of the protest, and the docket should remain open. If no timely protest is filed, a consummating order should be issued and, once staff verifies that the notice of the late payment charge has been given to customers, the docket should be administratively closed. (Barrera)

Staff Analysis: If Issue 1 is approved, the docket should remain open for staff's verification that the revised tariff sheet and customer notice have been filed by the Utility and approved by staff. The revised tariff sheet should become effective on or after the stamped approval date on the revised tariff sheets, pursuant to Rule 25-30.475, F.A.C. If a protest is filed within 21 days of the issuance date of the Order, the tariff should remain in effect with all late payment charges held subject to refund pending resolution of the protest, and the docket should remain open. If no timely protest is filed, a consummating order should be issued and, once staff verifies that the notice of the late payment charge has been given to customers, the docket should be administratively closed.