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March 23, 2015

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COMMISSION
CLERK

BY HAND DELIVERY

Ms. Carlotta S. Stauffer, Director
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

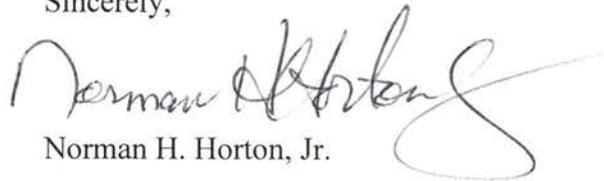
Dear Ms. Stauffer:

Enclosed for filing on behalf of Peoples Gas System and Sebring Gas System, Inc. are an original and 10 copies of a Joint Petition.

Please indicate receipt of these documents by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,


Norman H. Horton, Jr.

NHH:amb
Enclosures

cc: Mr. Jerry H. Melendy, Jr.
Ansley Watson, Jr., Esq.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for approval of territorial agreement in Hardee County, by Peoples Gas System and Sebring Gas System, Inc.

DOCKET NO.
Submitted for Filing:
3-23-15

JOINT PETITION

Petitioners, Peoples Gas System ("Peoples") and Sebring Gas System, Inc. ("Sebring") (collectively, "Petitioners"), by their respective undersigned attorneys and pursuant to Section 366.04(3)(a), *Florida Statutes*, and Rule 25-7.0471, *Florida Administrative Code* ("F.A.C."), jointly file this petition for an order approving a territorial agreement between Petitioners in a portion of Hardee County located within and adjacent to the corporate limits of the City of Wauchula, said agreement being attached hereto as Exhibit A. In support of this Joint Petition, Petitioners state as follows:

1. The names and mailing addresses of the petitioners are:

Peoples Gas System P. O. Box 2562 Tampa, Florida 33601-2562	Sebring Gas System, Inc. 3515 U.S. Highway 27 South Sebring, Florida 33870
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2. The names and mailing addresses of the persons authorized to receive notices and communications with respect to this petition are:

As to Peoples:

Ansley Watson, Jr., Esq.
Andrew M. Brown, Esq.
Ashley R. Kellgren, Esq.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

Paula K. Brown
Peoples Gas System
P. O. Box 111
Tampa, Florida 33601-0111

Kandi M. Floyd
Peoples Gas System
P. O. Box 111
Tampa, Florida 33601-0111

As to Sebring:

Norman H. Horton, Jr., Esq.
Messer Caparelo
P. O. Box 15579
Tallahassee, Florida 32317

Jerry H. Melendy, Jr.
Sebring Gas System, Inc.
3515 U.S. Highway 27 South
Sebring, Florida 33870

3. Each petitioner owns and operates natural gas distribution facilities in Hardee County, and each is a natural gas utility subject to the Commission's jurisdiction under Section 366.04(3), *Florida Statutes*, for the purposes of resolving territorial disputes and approving territorial agreements.

Background

4. PGS provides natural gas service to customers in Hardee County, Florida. Peoples plans to continue expanding its distribution system in Hardee County and the surrounding area as provided in the extension of facilities policy contained in its tariff on file with the Commission. Sebring has, for many years, provided natural gas service to customers within and adjacent to the City of Sebring, Florida, and has recently obtained a franchise from the City of Wauchula. Sebring also plans to continue expanding its distribution system consistent with the demand for natural gas service within the areas in which Sebring operates.

5. Peoples provides gas transportation service to the supplier/gas marketer supplying natural gas to customers on Sebring's gas distribution system.

Requested Relief

6. The parties seek Commission approval of the Territorial Agreement attached hereto as Exhibit A. The agreement stipulates that approval by the Commission is a condition precedent to its effectiveness. Any future modification to the service areas described in the agreement must be reviewed and/or approved by the Commission.

7. Both Peoples and Sebring 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 of the Petitioners, or to the existing or future ratepayers of either of them,

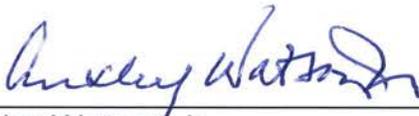
and that the Commission's approval of the agreement would be consistent with the standards set forth in Section 366.04, *Florida Statutes*, and Rule 25-7.0471, *F.A.C.*

8. All terms and conditions pertaining to the Territorial Agreement, and the implementation thereof, are set forth in such agreement.

9. Absent the Commission's approval of the agreement, the plans of Peoples and Sebring for providing retail natural gas service in the portion of Hardee County covered by the agreement might well overlap. Petitioners submit that approval of the agreement by the Commission will assist in avoiding future uneconomic duplication of facilities by the parties, will expedite the handling of applications for service by future potential natural gas customers, and that the agreement is therefore in the public interest.

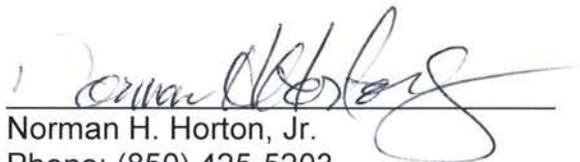
WHEREFORE, Peoples and Sebring respectfully request that the Commission enter its order approving the Territorial Agreement.

Respectfully submitted,



Ansley Watson, Jr.
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Andrew M. Brown
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Attorneys for Peoples Gas System



Norman H. Horton, Jr.
Phone: (850) 425-5203
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Messer Caparello, P.A.
P. O. Box 15579
Tallahassee, Florida 32317

Attorneys for Sebring Gas System, Inc.

EXHIBIT A
TERRITORIAL AGREEMENT

TERRITORIAL AGREEMENT

THIS TERRITORIAL AGREEMENT (this "Agreement") is made and entered into this ^{5th} day of March, 2015, by and between **PGS Gas System, a division of Tampa Electric Company**, a Florida corporation ("PGS"), and **Sebring Gas System, Inc.**, a Florida corporation ("Sebring"). PGS and Sebring are hereinafter sometimes referred to singularly as a "party" and collectively as the "parties."

WITNESSETH:

WHEREAS, each of PGS and Sebring is a natural gas public utility subject to the regulatory jurisdiction of the Florida Public Service Commission ("Commission") under Chapter 366, *Florida Statutes*, including the Commission's jurisdiction to resolve territorial disputes and approve territorial agreements pursuant to Section 366.04(3), *Florida Statutes*; and

WHEREAS, as pertinent to this Agreement, both Sebring and PGS are presently providing natural gas ("gas") service to customers in portions of Hardee County, Florida; and

WHEREAS, Sebring has been granted a non-exclusive franchise by the City of Wauchula permitting Sebring to provide gas service to customers within the corporate limits of the city; and

WHEREAS, the parties desire to avoid future unnecessary and uneconomic duplication of gas distribution facilities in and around the City of Wauchula, which would be contrary to Commission policies and detrimental to the interests of their customers and the general public, and to expedite the handling of applications for service by future potential gas customers within the areas in and around the City; and

WHEREAS, the Commission 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.

NOW, THEREFORE, 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, agree as follows:

Section 1.

(a) That area located within the corporate limits of the City of Wauchula and certain adjoining areas (excluding the premise located at 205 Hanchey Rd., Wauchula, Florida 33873, which shall, as between the parties, be deemed to be a service area of PGS) identified and more particularly described in Exhibit A to this Agreement shall, as between the parties, be deemed to be a service area of Sebring.

(b) Except as specifically otherwise provided herein, each party agrees that it will not provide or offer to provide gas service to existing or potential customers within the service area herein reserved to the other party.

(c) Except as specifically otherwise provided herein, nothing in this Agreement is intended to affect the gate stations, regulators, or gas mains of one party which are now or which may in the future be 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 general office level of the parties. No such facilities shall be used by PGS to provide natural gas service to customers located in the service area reserved hereunder to Sebring.

(d) This Agreement shall have no effect on the boundaries of the respective service areas of the parties hereto as the same may now or hereafter exist except as specifically provided herein.

Section 2. Notwithstanding the provisions of Section 1, Sebring may request that PGS provide natural gas service to potential customers within the service area reserved hereunder to Sebring. In the event of any such request, PGS may elect to provide service to such potential customers in its sole discretion subject to the approval of the Commission.

Section 3. If Sebring determines, in a specific instance, that good engineering practices or economic constraints indicate that a small service area and/or future natural gas customer within Sebring's service area under Section 1 hereof should not be served by Sebring, Sebring shall notify PGS and request that PGS serve such small service area and/or potential customer. If the parties reach agreement thereon, the parties shall jointly and expeditiously seek approval of the Commission for modification of this Agreement in order to permit PGS to provide such service to such small service area and/or future natural gas customer.

Section 4. This Agreement, after execution by the parties, shall be submitted jointly by the parties to the Commission for approval. It shall become effective on the date that a Commission order approving it becomes final and effective (the "Effective Date"), and continue in effect until termination or modification shall be 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. In the event that the Commission declines to approve this Agreement, the same shall be of no force or effect, and neither party shall have any claim against the other arising out of this Agreement.

Section 5. As soon as practicable after the Effective Date, each party agrees to file any revisions to its tariff on file with the Commission which may be required as a result of the Commission's approval of this Agreement, and shall provide a copy of any such tariff revisions to the other party upon the filing with the Commission of such revisions.

Section 6. 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 7. This Agreement shall become void and unenforceable if the Commission's jurisdiction with respect to approval and supervision of territorial agreements between natural gas utilities is terminated by statute or ruled invalid by a court of final appellate jurisdiction.

Section 8. This Agreement shall be governed by the laws of the State of Florida.

Section 9. All notices under this Agreement shall be in writing and may be sent by facsimile, a nationally recognized overnight courier service, first class mail, or hand delivery, to

the parties at the addresses and facsimile numbers set forth below:

To PGS:

President
Peoples Gas System
702 N. Franklin Street
Tampa, Florida 33602
Phone: (813) 228-4111
Facsimile: (813) 228-4811

To Sebring:

President
Sebring Gas System
3515 U.S. Highway 27 South
Sebring, Florida 33870
Phone: (863) 385-0194
Facsimile: (863) 385-3423

Notices shall be deemed given when received on a business day by the addressee. In the absence of proof of the actual receipt date, the following presumptions shall apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a business day or, the receipt is after 5:00 p.m. on a business day, then such facsimile shall be deemed to have been received on the next succeeding business day. Notice by overnight mail or courier shall be deemed to have been received on the next business day after it was sent or such earlier time as is confirmed by the receiving party. Notice by first class mail shall be deemed to have been received on the third business day following deposit in the mail. A party may from time to time change the address to which notice hereunder is to be sent by providing notice to the other party pursuant to this section.

Section 10. This Agreement, on and after the Effective Date, shall be binding in accordance with its terms upon the parties hereto and their respective successors and assigns with regard to the retail distribution of natural gas.

Section 11. This Agreement may be executed in one or more counterparts and by original and/or facsimile signatures, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

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.

**PEOPLES GAS SYSTEM, a division of
Tampa Electric Company**

By: 
Gordon Gillette
President

SEBRING GAS SYSTEM, INC.

By: 
Jerry H. Melendy, Jr.
President

EXHIBIT A

Sebring Gas System, Inc. Service Area for the Wauchula, Florida area

That the City of Service Area includes the area within the city limits of Wauchula, Florida and adjacent areas described herein.

Bounded on the west by the western right of way of Altman Road and Terrel Road; on the North from the intersection of Terrel Road and Metheny Road along the northern right of way of Metheny Road east to an intersection with Airport Road as if Metheny extended that far; on the East along the easternmost right of way of Airport Road and Shackelford Road south to point where Causey Road and Shackelford Road would intersect if both were extended and on the South from the point where Shackelford and Causey would meet along the southernmost right of way of Causey Road as extended, and Altman Road. The service area includes any area which may be outside the described boundaries but included within the city limits of the City of Wauchula, Florida.

