

FILED AUG 25, 2016 DOCUMENT NO. 07010-16 FPSC - COMMISSION CLERK

Matthew R. Bernier Senior Counsel

August 25, 2016

VIA ELECTRONIC FILING

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

Re: Joint Petition of the City of Alachua and Duke Energy Florida, LLC, for approval of a territorial agreement in Alachua County; Docket No. _____

Dear Ms. Stauffer:

Please find attached for electronic filing a Joint Petition of the City of Alachua and Duke Energy Florida, LLC, to amend the existing territorial agreement in Alachua County.

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,

<u>/s/ Matthew R. Bernier</u> Matthew R. Bernier

MRB/db Attachment

cc: Marian B. Rush and Traci Gresham



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of the City of Alachua and Duke Energy Florida, LLC for approval of a territorial agreement in Alachua County, Florida Submitted for filing: Docket No. _____

August <u>25</u>, 2016

JOINT PETITION TO APPROVE TERRITORIAL AGREEMENT

The City of Alachua ("ALACHUA"), and Duke Energy Florida, LLC ("DEF") (collectively, the "Joint Petitioners") pursuant to Section 366.04(2)(d), F.S., and Rule 25-6.0440, F.A.C., jointly petition the Florida Public Service Commission ("the Commission") for approval of an amended territorial agreement ("Agreement") in Alachua County.

In support hereof, the Joint Petitioners represent as follows:

1. The Joint Petitioners are electric utilities organized under the laws of Florida and are subject to the regulatory jurisdiction of the Commission pursuant to Section 366.04(2), F.S.

2. ALACHUA's principal office is located in Alachua, Florida. DEF's principal office is located in St. Petersburg, Florida.

3. For purposes of this Joint Petition, the contact information of the Joint Petitioners will be that of their respective undersigned attorneys, and all pleadings, notices, and other communications in this matter should be served on the Joint Petitioners' undersigned attorneys.

4. To best avoid duplication of services and wasteful expenditures, as well as to best protect the public health and safety from potentially hazardous conditions, the Joint Petitioners have negotiated the proposed Agreement delineating their respective service boundaries in Alachua County. The Agreement is attached hereto as Attachment 1 along with an accompanying map and written description delineating the territorial boundaries to which the Joint Petitioners have agreed. The modified territorial boundaries are depicted in the Territorial Boundary maps attached in Exhibit A, and a written description of the territorial boundaries is included in Exhibit D, as required pursuant to Rule 25-6.0440(1)(a), F.A.C. This proposed Agreement has been negotiated for a term of twenty (20) years and will remain in effect thereafter unless either Party provides written notice of Termination at least 12 months prior to terminating the Agreement.

5. Under this Agreement, two (2) customers will be transferred from DEF to ALACHUA (one (1) residential and one (1) commercial). No customers will transfer from ALACHUA to DEF. The customers will be transferred no later than twenty-four (24) months after the approval of the Agreement by the Commission. Prior to the filing of this Joint Petition, in accordance with Rule 25-6.0440(1)(d), F.A.C., the affected customers subject to transfer were sent written notification of this proposed Agreement. A sample copy of the letter providing such notification is attached as Exhibit C. As of the time of filing, no negative responses to the notification letters have been received. A summary of the responses

ultimately received, if any, will be provided to the Commission by a supplemental filing.

6. The Commission has long recognized that properly constructed territorial agreements between adjacent utilities are in the public interest. The Agreement will avoid duplication of services and wasteful expenditures, as well as protect the public health and safety from potentially hazardous conditions. For these reasons, the Joint Petitioners represent that the Commission's approval of the Agreement is in the public interest.

WHEREFORE, ALACHUA and DEF respectfully request that the Commission grant this Joint Petition and approve the Agreement.

Dianne M. Triplett Associate General Counsel Duke Energy Florida Post Office Box 14042 St. Petersburg, Florida 33733-4042 Telephone: 727-820-4692 Facsimile: 727-820-5249 Email: dianne.triplett@duke-energy.com

Matthew R. Bernier Senior Counsel Duke Energy Florida 106 E. College Ave., Suite 800 Tallahassee, Florida 32301 Telephone: 850.521.1428 Facsimile: 850.521.1437 Email: matthew.bernier@duke-energy.com

marian B. Rush

Marian B. Rush Attorney for the City of Alachua, Florida 11 SE 2nd Avenue Gainesville, Florida 32601 Telephone: 352.373.7566 Facsimile: 352-376-7760 Email: marian@robertarushpa.com

Traci L. Gresham City Manager City of Alachua, Florida Alachua, Florida Telephone: 386.418.6100 Facsimile: 386.418.6175 Email: tcain@cityofalachua.com

ATTACHMENT 1

Territorial Agreement

The City of Alachua

and

Duke Energy Florida, LLC

Alachua County

TERRITORIAL AGREEMENT

<u>Section 0.1</u>: The City of Alachua ("ALACHUA"), and Duke Energy Florida, LLC d/b/a Duke Energy ("DEF") (collectively, the "Parties" and individually, a "Party") enter into this Territorial Agreement ("Agreement") on this ____25___ day of August, 2016.

WITNESSETH:

Section 0.2: WHEREAS, ALACHUA is a Florida municipal corporation and DEF is a limited liability corporation both organized and existing under the laws of the State of Florida, and are electric utilities as defined in, and whose retail service territories are subject to regulation pursuant to, Chapter 366, Florida Statutes; and

<u>Section 0.3</u>: WHEREAS, ALACHUA, by virtue of its Charter and legislative authority, is authorized and empowered to furnish electricity and power to customers throughout the state of Florida and presently furnishes electricity and power to customers located in certain areas of Alachua County. DEF is authorized by Chapter 366, Florida Statutes, to furnish retail electric service to customers throughout the State of Florida, and pursuant to such authority, presently furnishes electric service to customers in areas of Alachua County; and

<u>Section 0.4</u>: WHEREAS, ALACHUA and DEF are Parties to a territorial agreement delineating their respective service territories in Alachua County, which was approved by the Florida Public Service Commission ("Commission"). The territorial agreement was approved by Commission Order No. PSC-96-1102-FOF-EU, issued August 29, 1996, in Docket No. 960542-EU (the "Existing Agreement"); and

<u>Section 0.5:</u> WHEREAS, the Parties desire to amend and continue the Existing Agreement to better serve their interests and the interests of their customers in realizing the planning, operational, and customer service benefits provided to their respective electric systems by a properly constructed, approved, and supervised territorial agreement; and

<u>Section 0.6:</u> WHEREAS, the respective retail service areas of the Parties are contiguous, with the result that, absent the establishment of a territorial agreement defining the Parties' respective service territories, duplication of service facilities would be likely to occur; and

<u>Section 0.7:</u> WHEREAS, the Commission has previously recognized that duplication of service facilities results in needless and wasteful expenditures and may create hazardous situations, both being detrimental to the public interest; and

<u>Section 0.8</u>: WHEREAS, the Parties hereto desire to continue to avoid and eliminate circumstances which may create wasteful expenditures and hazardous situations by confirming the territorial boundary lines between their respective retail service territories in Alachua County; and

Section 0.9: 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, and 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 will be construed as being interdependent, the Parties hereby agree to amend and continue the Existing Agreement as follows:

ARTICLE I

DEFINITIONS

Section 1.1: Territorial Boundary Line(s). As used herein, the term "Territorial Boundary Line(s)" will mean the boundary line(s) depicted on the map attached hereto as Exhibit A which delineate and differentiate the Parties' respective territorial areas in Alachua County ("Territorial Area"). Additionally, as required pursuant to Rule 25-6.0440(1)(a), F.A.C., a written description of the territorial areas served is attached as Exhibit D. If there are any discrepancies between Exhibit A and Exhibit D, then the territorial boundary maps in Exhibit A shall prevail.

<u>Section 1.2</u>: <u>ALACHUA Territorial Area</u>. As used herein, the term "ALACHUA Territorial Area" will mean the geographic areas in Alachua County allocated to ALACHUA as its retail service territory and labeled as "City of Alachua" on the maps contained in Exhibit A.

<u>Section 1.3</u>: <u>DEF Territorial Area</u>. As used herein, the term "DEF Territorial Area" will mean the geographic area allocated to DEF as its retail service territory and labeled as "Duke Energy" on the maps contained in Exhibit A.

<u>Section 1.4</u>: <u>Point of Use</u>. As used herein, the term "Point of Use" will mean the location within the Territorial Area of a Party where a customer's end-use facilities consume electricity, wherein such Party will be entitled to provide retail electric service under this Agreement, irrespective of where the customer's point of delivery or metering is located.

<u>Section 1.5</u>: <u>New Customers</u>. As used herein, the term "New Customers" will 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.

<u>Section 1.6</u>: <u>Extra-Territorial Customers</u>. As used herein, the term "Extra-Territorial Customers" will mean: (a) those customers served by either Party on the Effective Date of the Existing Agreement who are located within the Territorial Area of the other Party established by such Existing Agreement, and (b) those customers, other than Temporary Service Customers, served by either Party on the Effective Date of this Agreement who are located within the Territorial Area of the other Party on the Effective Date of this Agreement who are located within the Territorial Area of the other Party due to modifications of the Territorial Boundary Lines established herein.

<u>Section 1.7</u>: <u>Temporary Service Customers</u>. As used herein, the term "Temporary Service Customers" will mean customers who are being temporarily served under the temporary service provisions of the Existing Agreement. <u>Section 1.8:</u> <u>Effective Date.</u> As used herein, the term "Effective Date" will 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, ALACHUA will have the exclusive authority to furnish retail electric service within the ALACHUA Territorial Area and DEF will have the exclusive authority to furnish retail electric service in the DEF Territorial Area. The Territorial Boundary Line will not be altered or affected by any change that may occur in the corporate limits of any municipality or county 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 nor 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.

<u>Section 2.3</u>: <u>Temporary Service</u>. 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. Prior to the commencement of temporary service, the Party providing such service will 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 (1) year will be submitted to the Commission for approval in accordance with Section 5.1 hereof. Such temporary service will be discontinued upon written notice from the requesting Party of its intent to provide service, which the Parties will coordinate to minimize any inconvenience to the customer. In conjunction with such discontinuance, the Party providing temporary service hereunder will be compensated by the requesting Party in accordance with Section 3.5 for its distribution facilities used exclusively to provide such service, which the other Party may elect to acquire, but the other Party will not be entitled to compensation for any loss of revenues for the period during which such temporary service is provided.

<u>Section 2.4</u>: <u>Referral of Service Request</u>. 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 will advise the prospective New Customer that such service is not permitted under this Agreement and will 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 by the other Party will be established 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

<u>Section 3.1</u>: <u>In General</u>. Under this Agreement, two (2) customers will be transferred from DEF to ALACHUA (one (1) residential and one (1) commercial). No customers will transfer from ALACHUA to DEF. The customers will be transferred no later than twenty-four (24) months after the Effective Date of this Agreement. It is the intent of the Parties that all customers of either Party will be served by the Party in whose Territorial Area they are located at the earliest practicable time.

In accordance with Rule 25-6.0440(1)(d), F.A.C., the affected customers subject to transfer have been sent written notification of this proposed Agreement and the

transfer provisions described above. Sample copies of the letters providing such notification are attached as Exhibit C.

In the event that circumstances arise during the term of this Agreement in which the Parties agree that, based on sound economic considerations or good engineering practices, an area located in the Territorial Area of one Party would be better served if reallocated to the service territory of the other Party, the Parties will jointly petition the Commission for approval of a modification of the Territorial Boundary line that places the area in question (the "Reallocated Area") within the Territorial Area of the other Party and transfer of the customers located in the Reallocated Area to the other Party.

<u>Section 3.2</u>: <u>Transfer of Extra-Territorial Customers</u>. The Extra-Territorial Customers currently served by DEF and subject to transfer to ALACHUA pursuant to this Agreement are listed by address or other identifying factor in Exhibit B.

Section 3.3: Compensation for Transferred Customers. This Section 3.3 only applies to those customers served by either Party on the Effective Date of this Agreement who are located within the Service Territory of the other Party due to modifications of the Territorial Boundary Lines established herein. This Section 3.3 does not apply to Temporary Service Customers.

For customers to which this Section 3.3 is applicable, the receiving Party shall pay to the transferring Party, known as Going Concern, for each active customer account transferred, an amount equal to: (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 twelve (12) complete billing months available at the time of transfer, or (b) if service was provided for less than twelve (12) complete billing months, the average monthly amount of such revenues multiplied by twelve (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.

Section 3.4: Compensation of Related Service Facilities. In conjunction with the transfer of Extra-Territorial Customers pursuant to Section 3.2 above, the receiving Party may elect to purchase the electric distribution facilities of the transferring Party used exclusively for providing electric service to the transferred customers. The receiving Party will compensate the transferring Party for the electric distribution facilities for 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. The replacement cost will be determined by applying a cost calculator 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 estimation method.

<u>Section 3.4</u>: <u>Transfer Segment Closings</u>. The Parties will mutually agree on a closing date for each transfer segment, allowing sufficient time for the Parties to identify the customers and facilities to be transferred; to determine the compensation for transferred 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. At the closing, the receiving Party will pay the transferring Party the compensation due it, and the transferring Party will execute and deliver to the receiving Party the assignments and other instruments referred to above.

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 will be subject to transfer or removal hereunder; provided, however, that each Party will operate and maintain its lines and facilities in a manner that minimizes any interference with the operations of the other Party. To facilitate this objective, in the event either Party intends to construct, locate, or relocate its distribution facilities in or directly adjacent to the Territorial Area of the other Party, such Party will notify the other Party in writing at least fourteen (14) days prior to commencement of such intended action.

Section 4.2: ALACHUA Facilities to be Served. Nothing herein will be construed to prevent or in any way inhibit the right and authority of ALACHUA to serve any ALACHUA facility located in the DEF Territorial Area which is used exclusively in connection with ALACHUA's business as an electric utility; provided, however, that ALACHUA will 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, including notice to DEF pursuant to Section 4.1.

<u>Section 4.3</u>: <u>DEF Facilities to be Served</u>. Nothing herein will be construed to prevent or in any way inhibit the right and authority of DEF to serve any DEF facility located in the ALACHUA Territorial Area which is used exclusively in connection with DEF business as an electric utility; provided, however, that DEF will construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with the operation of ALACHUA in the ALACHUA Territorial Area, including notice to ALACHUA pursuant to Section 4.1.

ARTICLE V

PREREQUISITE APPROVAL

Section 5.1: Commission Approval. The Parties and the provisions and performance of this Agreement are subject to the regulatory authority of the Commission, and appropriate approval by the Commission of the provisions of this Agreement will be a condition precedent to the validity, enforceability, and applicability hereof. This Agreement will have no effect whatsoever until Commission approval has been obtained. Any proposed modification to this Agreement, whether proposed jointly or by either Party, will be submitted to the Commission for consideration and approval prior to becoming effective. In addition, either Party may 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.

<u>Section 5.3</u>: <u>Supersedes Prior Agreements</u>. Upon approval by the Commission, this Agreement will be deemed to specifically supersede any prior agreement between the Parties regarding their respective retail service areas in Alachua County.

ARTICLE VI

DURATION

Section 6.1: Term. This Agreement will continue and remain in effect for a period of twenty (20) years from the Effective Date as set forth in the final Order of the Commission granting approval of this Agreement. After expiration of the twenty (20) year term provided herein, this Agreement will remain in effect thereafter unless either Party provides written notice of Termination at least 12 months prior to the termination of the agreement as contemplated by Section 8.3.

ARTICLE VII

CONSTRUCTION OF AGREEMENT

<u>Section 7.1</u>: <u>Other Electric Utilities</u>. Nothing in this Agreement will restrict or affect in any manner the right of either Party to establish its retail service area with respect to any other electric utility. The Parties understand that ALACHUA 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 will be construed to prevent ALACHUA 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: Intent and Interpretation. It is hereby declared to be the purpose and intent of the Parties that this Agreement will 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

<u>Section 8.1</u>: <u>Negotiations</u>. 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 will 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 will 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 will inure to the sole benefit of and will be binding only upon the Parties and their respective representatives, successors, and assigns.

<u>Section 8.3</u>: <u>Notices</u>. Notices and other written communications contemplated by this Agreement will 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 City of Alachua:

Traci L. Gresham, City Manager City of Alachua, Florida Alachua, Florida Fax: 386.418.6175 To Duke Energy Florida:

R. Alexander Glenn, State PresidentDuke Energy Florida, LLCP.O. Box 14042St. Petersburg, Florida 33733Fax: 727.820.5044

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

<u>Section 8.4</u>: <u>Public Records Law.</u> DEF acknowledges ALACHUA's obligations under Article I, Section 24, Florida Constitution and Chapter 119, Florida Statutes, to release public records to members of the public upon request. DEF acknowledges that ALACHUA is required to comply with Article I, Section 24, Florida Constitution and Chapter 119, Florida Statutes, in the handling of the materials created under this Agreement and that said statute controls over the terms of this Agreement.

<u>Section 8.5:</u> <u>Statutory Liability Cap</u>. Nothing herein is intended to act as a waiver of ALACHUA's sovereign immunity or the limits of liability set forth in §768.28 of the Florida Statutes regardless of whether any such obligations are based in tort, contract, statute, strict liability, and negligence, product liability or otherwise.

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

THE CITY OF ALACHUA

By_ Gib Coerper, Mayor

ATTEST:

Die Jam

Traci L. Gresham, City Manager/City Clerk

APPROVED AS TO FORM:

anan B. push

Marian B. Rush, City Attorney

DUKE ENERGY FLORIDA, LLC

ATTEST:

B١

R. Alexander Glenn, President

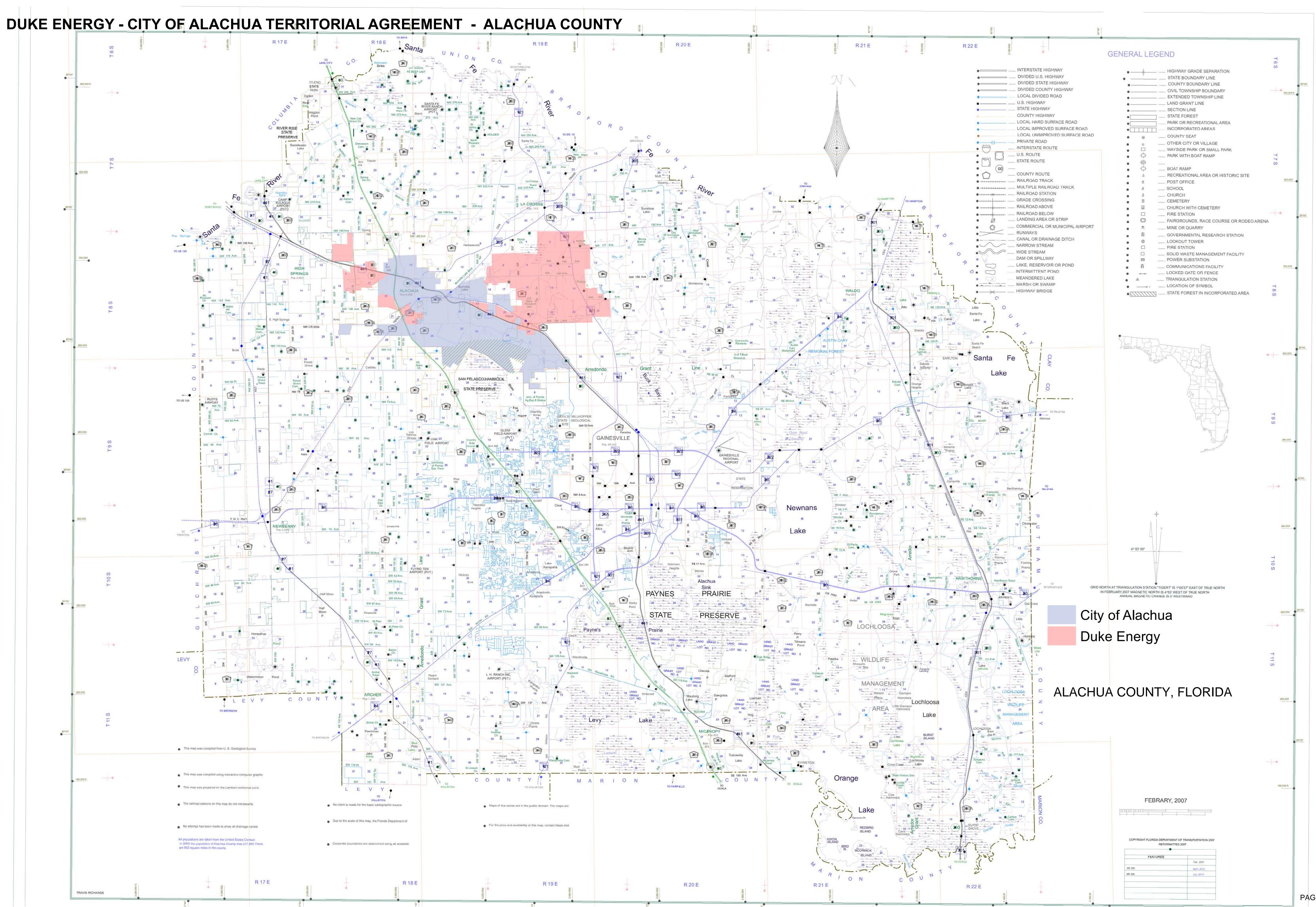
know hidto

Dianne Triplett, Associate General Counsel

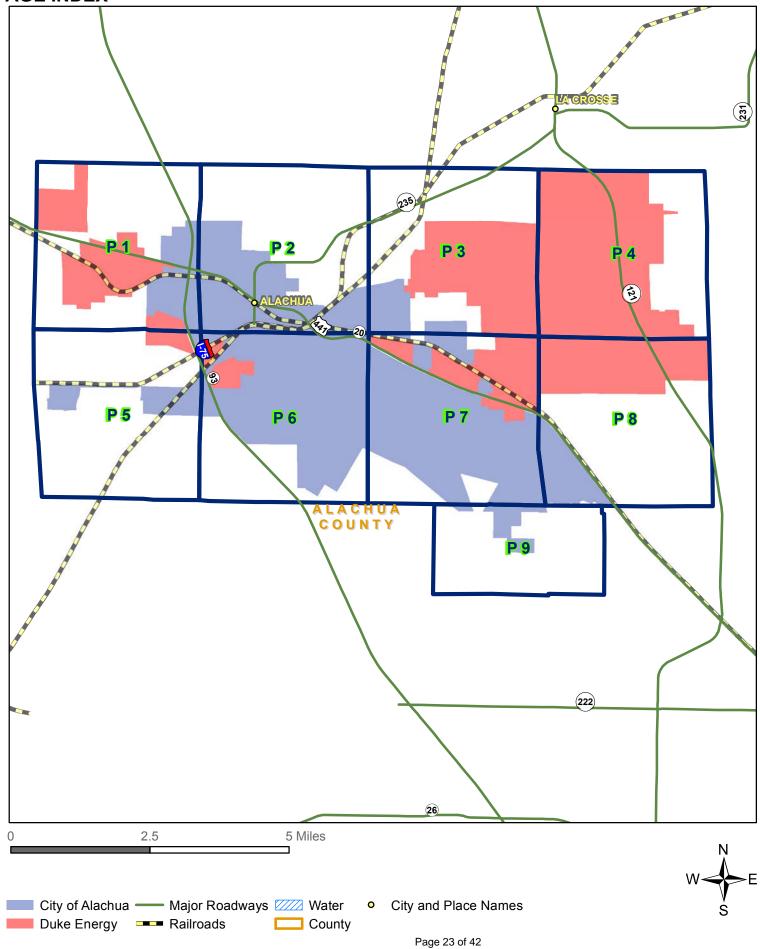
DUKE ENERGY, INC. LEGAL DEPARTMENT APPROVED BY: DATE:

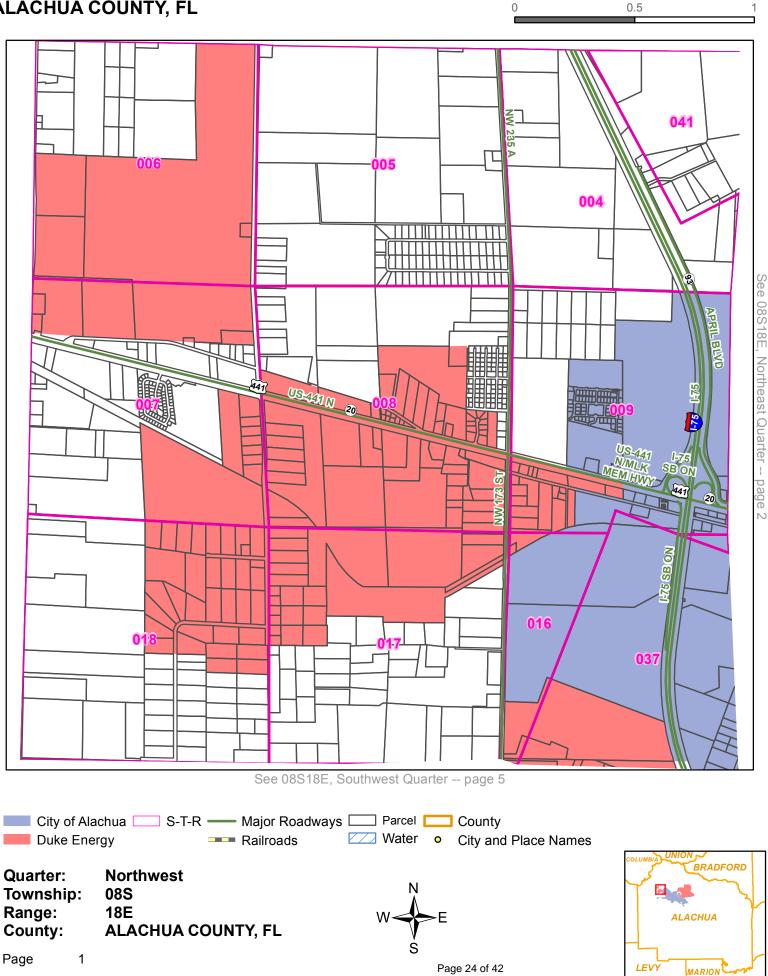
Ехнівіт А

MAPS DEPICTING THE TERRITORIAL BOUNDARY LINES AND SERVICE TERRITORIES OF THE CITY OF ALACHUA AND DUKE ENERGY FLORIDA

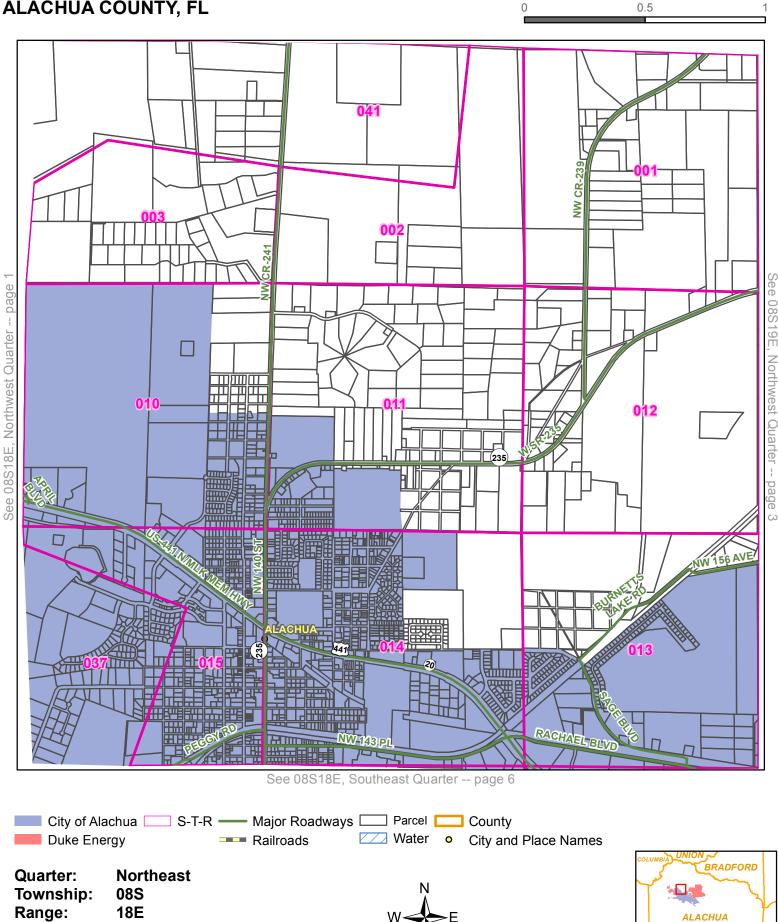


PAGE 22 OF 42





Miles



Miles

Page

2

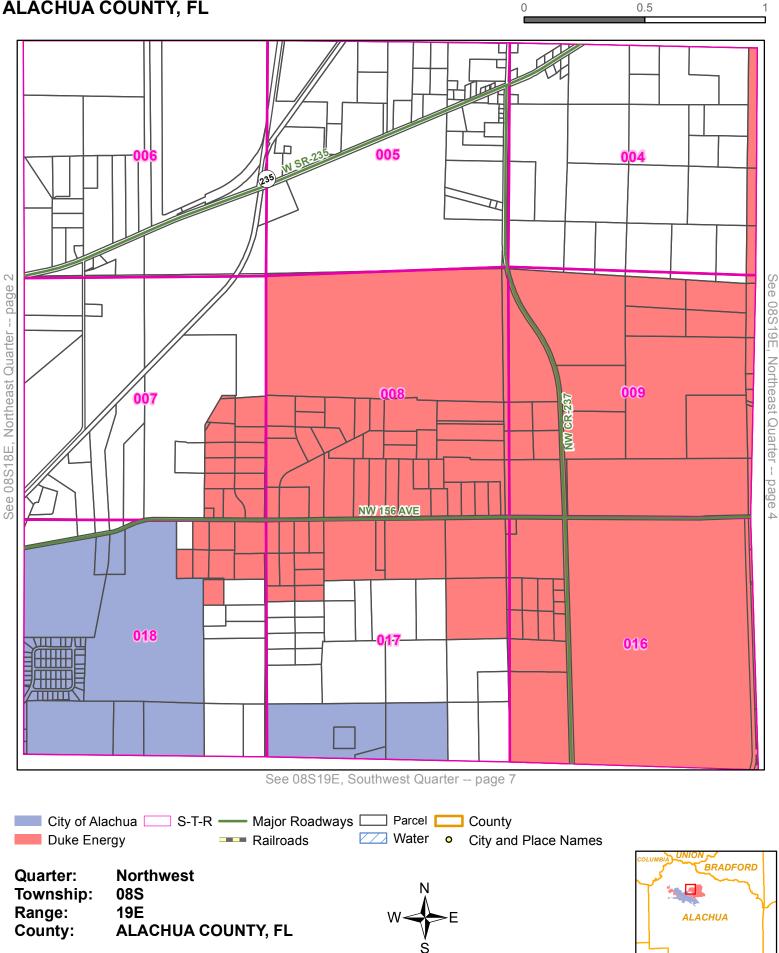
County:

ALACHUA COUNTY, FL

Page 25 of 42

LEVY

MARION



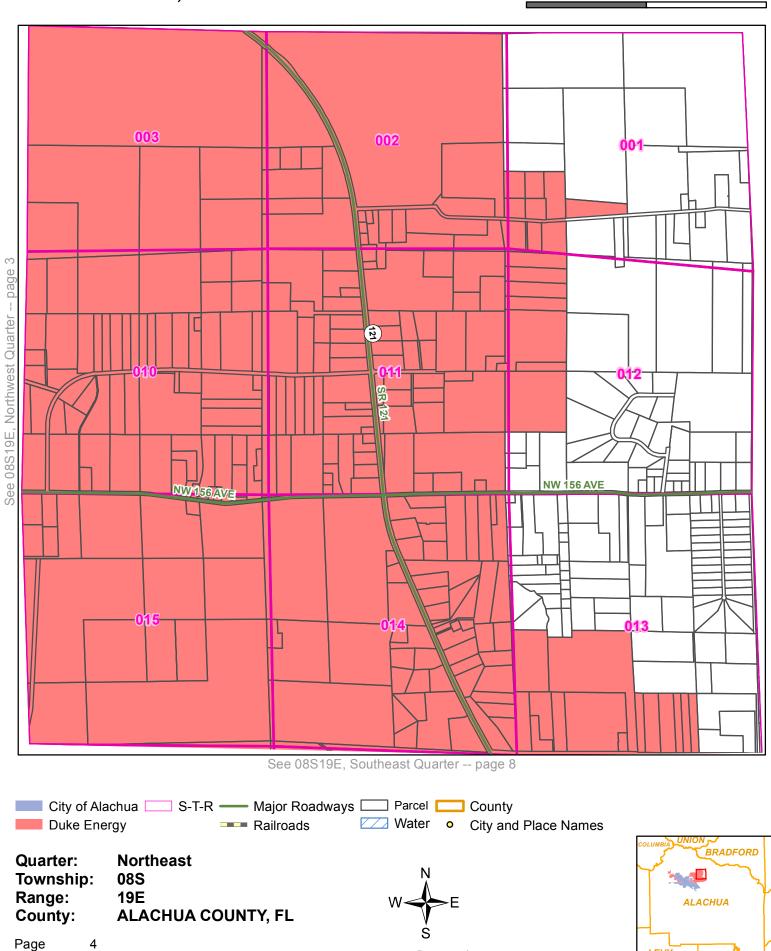
Miles

Page 3

Page 26 of 42

LEVY

MARION



0

0.5

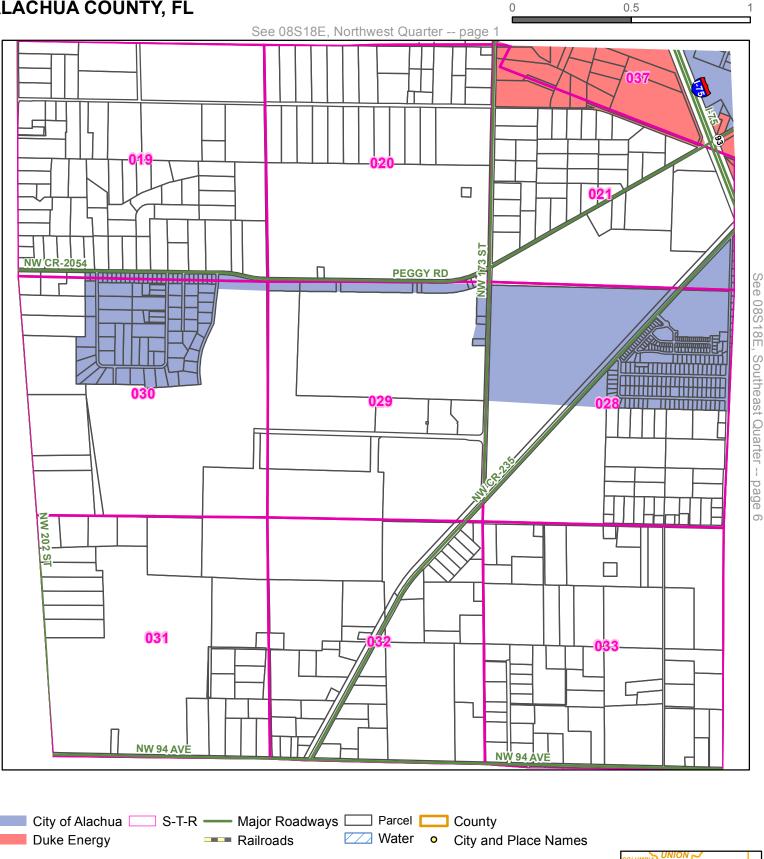
LEVY

MARION

Miles

1

Page 27 of 42



Quarter: Southwest Township: **08S** Range: 18E County: ALACHUA COUNTY, FL

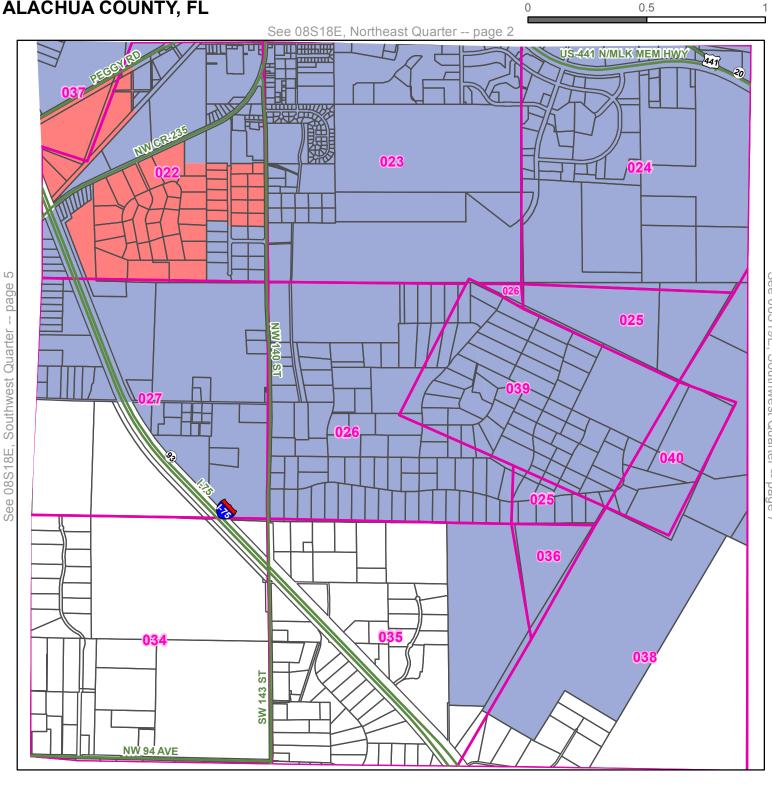




Page 28 of 42

5

Miles



City of Alachua S-T-R — Major Roadways Parcel County Water o Duke Energy Railroads City and Place Names

Quarter: Southeast Township: **08S** Range: 18E ALACHUA COUNTY, FL **County:**

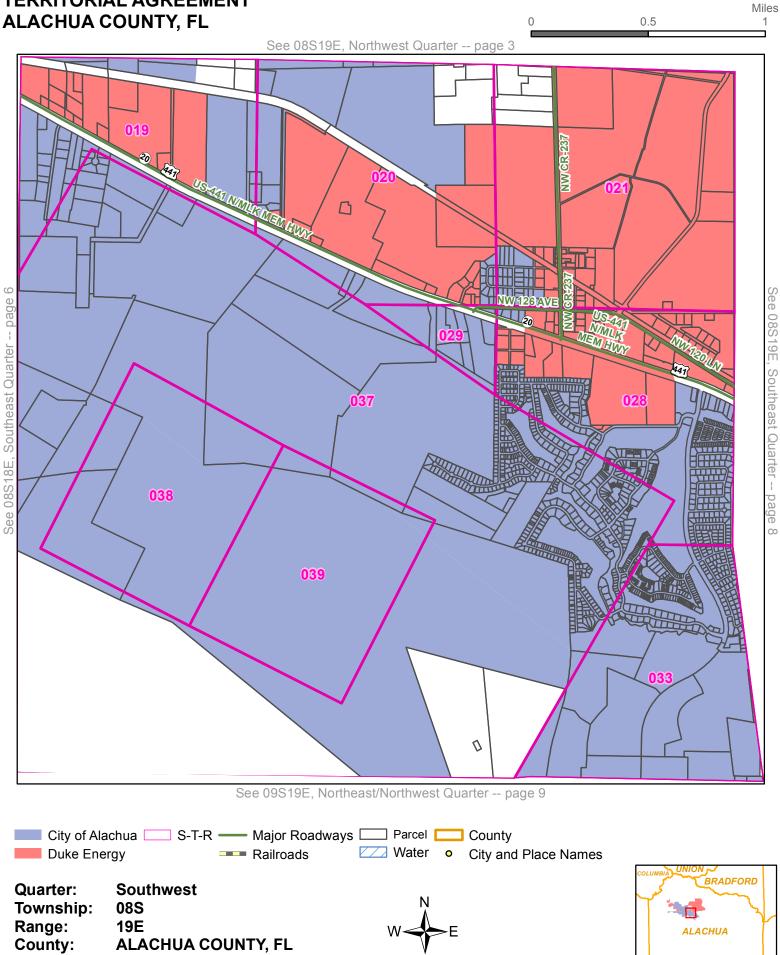




Miles

Page 29 of 42

6



7

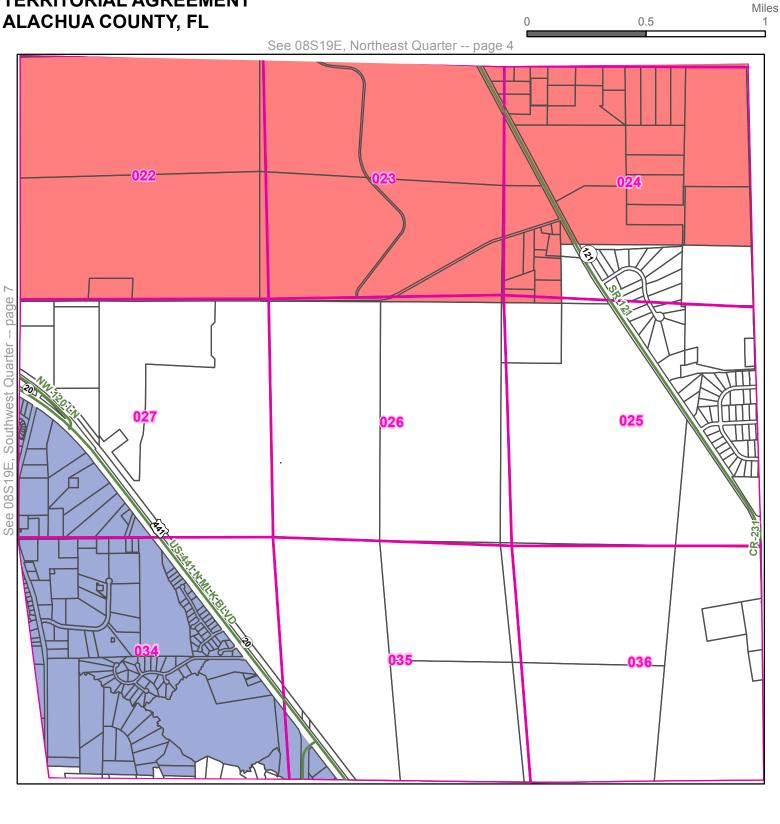
Page

Page 30 of 42

LEVY

MARION

S



City of Alachua S-T-R — Major Roadways Parcel County Duke Energy Railroads ZZ Water O City and Place Names

Quarter:SoutheastTownship:08SRange:19ECounty:ALACHUA COUNTY, FL





Page 8

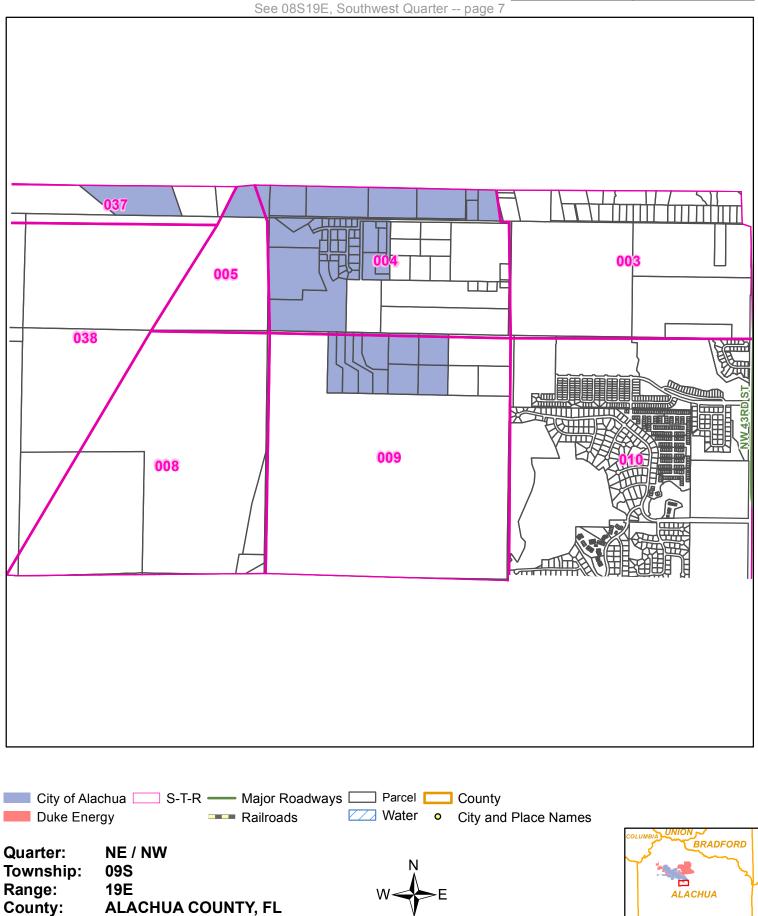
Page 31 of 42

0

Miles

1

0.5



Page

9

Page 32 of 42

LEVY

MARION

Ехнівіт В

EXTRA-TERRITORIAL CUSTOMERS TO BE TRANSFERRED FROM DUKE ENERGY FLORIDA TO THE CITY OF ALACHUA

EXHIBIT B

Extra-Territorial Customers to be transferred from Duke Energy Florida to the City of Alachua

No.	COUNTY	CUSTOMER NAME	PREMISE ADDRESS	PREMISE ID	ТҮРЕ
1	Alachua	Deneace Petty Johnson	13301 NW 140 th Street Alachua, Florida 32615	194014645	Residential
2	Alachua	Cox Communications	13298 NW US Highway 441 Alachua, Florida 32615	377769654	Commercial

Ехнівіт С

SAMPLE COPY OF LETTERS PROVIDING NOTIFICATION OF THE TERRITORIAL AGREEMENT TO CUSTOMERS SUBJECT TO TRANSFER



August 22, 2016

Deneace Petty Johnson 13301 NW 140th Street Alachua, FL 32615

RE: Duke Energy Account No.

Dear Customer:

To ensure that electric utilities in Florida, such as Duke Energy Florida (DEF), are able to provide reliable and economical electric service to their customers, utilities enter into agreements with one another establishing the geographical areas in which each utility is the exclusive provider of electric service. Utilities enter into these territorial agreements in an effort to avoid the unnecessary and uneconomic construction of duplicate electrical distribution lines and other facilities to serve their customers. Approval of the Florida Public Service Commission (FPSC) is required to ensure these objectives are met.

In an effort to efficiently serve the customers in your area, we will soon enter into a territorial agreement with the City of Alachua that will revise some of the service area boundaries between the utilities and enable each utility to serve its customers more reliably and economically. The new agreement must be approved by the FPSC before it can become effective and you will have the opportunity prior to that approval to provide your comments to the Commission. If you wish, we will provide the pertinent contact information for the FPSC when the territorial agreement has been filed and docketed.

If approved by the FPSC, the terms of the amended territorial agreement call on the City of Alachua to provide electric service in your area and your account would be transferred to the City of Alachua. You will not need to do anything to initiate this transfer as Duke and the City of Alachua will handle all of the arrangements on your behalf. If you have a deposit with Duke, your deposit will be applied to your last electric bill and any surplus will be refunded directly to you. You should not experience any disruption of service during the transfer and you will be notified in the unlikely event that a minimal interruption of service is required.

To provide you a rate comparison, in June 2016, the residential rate of Duke for 1,000 Kilowatt - Hours (KWH) was \$111.95. For the same month, the residential rate of The City of Alachua for 1,000 KWH was \$120.40. The rates of both utilities are subject to periodic change and may be raised or lowered in the future.

While we regret losing the opportunity to serve you in the future, the City of Alachua is an excellent utility and I am confident you will find their service to be satisfactory.

Please contact me if you have any questions or concerns about the proposed transfer of your service to the City of Alachua, or if you would like information about contacting the FPSC. You can reach me by phone at 727-820-5846. Sincerely,

Luisa Walsh Territorial Program Manager Duke Energy



August 22, 2016

Cox Communications 13298 NW US Highway 441 Alachua, Florida 32615

RE: Duke Energy Account No.

Dear Customer:

To ensure that electric utilities in Florida, such as Duke Energy Florida (DEF), are able to provide reliable and economical electric service to their customers, utilities enter into agreements with one another establishing the geographical areas in which each utility is the exclusive provider of electric service. Utilities enter into these territorial agreements in an effort to avoid the unnecessary and uneconomic construction of duplicate electrical distribution lines and other facilities to serve their customers. Approval of the Florida Public Service Commission (FPSC) is required to ensure these objectives are met.

In an effort to efficiently serve the customers in your area, we will soon enter into a territorial agreement with the City of Alachua that will revise some of the service area boundaries between the utilities and enable each utility to serve its customers more reliably and economically. The new agreement must be approved by the FPSC before it can become effective and you will have the opportunity prior to that approval to provide your comments to the Commission. If you wish, we will provide the pertinent contact information for the FPSC when the territorial Agreement has been filed and docketed.

If approved by the FPSC, the terms of the amended territorial agreement call on the City of Alachua to provide electric service in your area and your account would be transferred to the City of Alachua. You will not need to do anything to initiate this transfer as Duke and the City of Alachua will handle all of the arrangements on your behalf. If you have a deposit with Duke, your deposit will be applied to your last electric bill and any surplus will be refunded directly to you. You should not experience any disruption of service during the transfer and you will be notified in the unlikely event that a minimal interruption of service is required.

To provide you a rate comparison, in June 2016, the commercial non-demand rate of Duke for 1,500 Kilowatt - Hours (KWH) was \$171.22. For the same month, the commercial non-demand rate of The City of Alachua for 1,500 KWH was \$186.43. The rates of both utilities are subject to periodic change and may be raised or lowered in the future.

While we regret losing the opportunity to serve you in the future, the City of Alachua is an excellent utility and I am confident you will find their service to be satisfactory.

Please contact me if you have any questions or concerns about the proposed transfer of your service to the City of Alachua, or if you would like information about contacting the FPSC. You can reach me by phone at 727-820-5846. Sincerely,

Luisa Walsh Territorial Program Manager Duke Energy

EXHIBIT D

WRITTEN DESCRIPTIONS OF THE TERRITORIAL AREAS SERVED

EXHIBIT D

Written Description of the Territorial Boundary Lines

Agreement Page #	Township/ Range	Section	Description/Notes
Map page 1	T8S, R18E	4, 5	This section is not part of this agreement.
Map page 1	T8S, R18E	6, 7, 8	All areas that are part of this agreement in this section are served by DEF.
Map page 1	T8S, R18E	9	ALACHUA serves both west and east of Interstate 75 north of US 441. ALACHUA also serves the southeast corner of the southeast quarter, south of US 441 and east of Interstate 75. Alachua also serves nine parcels south of US 441 and west of Interstate 75. DEF serves the remaining parcels south of Interstate 441 in the southwestern quarter of the section. The parcels adjacent to the northwestern section lines are not part of this agreement.
Map page 1	T8S, R18E	16	ALACHUA serves two parcels south of the railroad line and adjacent to the western section line. DEF serves two parcels in the northwestern quarter of the section, north of the railroad line. DEF also serves two parcels adjacent to the southwestern quarter of the section, west of Interstate 75. This is an irregular section.
Map page 1	T8S, R18E	17, 18	All areas that are part of this agreement in this section are served by DEF.
Map page 1	T8S, R18E	37	ALACHUA serves the entire section except for the two parcels adjacent to the southwestern quarter of the section, west of Interstate 75. This is an irregular section.
Map page 2	T8S, R18E	1, 2, 3	This section is not part of this agreement. Section 3 is an irregular section.
Map page 2	T8S, R18E	10, 11	All areas that are part of this agreement in this section are served by ALACHUA.
Map page 2	T8S, R18E	12	This section is not part of this agreement.
Map page 2	T8S, R19E	13, 14	All areas that are part of this agreement in this section are served by ALACHUA.
Map page 2	T8S, R19E	15	The entire section is served by ALACHUA.

Map page 2	T8S, R19E	41	This section is not part of this agreement. This is an irregular section.
Map page 3	T8S, R19E	4, 5, 6	This section is not part of this agreement. (Part of section 3 is shown due to irregular section lines.)
Map page 3	T8S, R19E	7	All areas that are part of this agreement in this section are served by DEF.
Map page 3	T8S, R19E	8, 9	The entire section is served by DEF.
Map page 3	T8S, R19E	16	The entire section is served by DEF.
Map page 3	T8S, R19E	17	DEF serves all of the parcels along the south side of NW 156 th Avenue. DEF also serves the parcels in the northwestern quarter of the section adjacent to the western section line and one parcel adjacent to the eastern section line. ALACHUA serves four parcels along the southern section line. Parts of this section are not part of this agreement.
Map page 3	T8S, R19E	18	ALACHUA serves the majority of the section along the western and southern section lines, south of NW 156 th Avenue. DEF serves eight parcels in the northeastern quarter of the section. Parts of this section are not part of this agreement.
Map page 4	T8S, R19E	1	All areas that are part of this agreement in this section are served by DEF.
Map page 4	T8S, R19E	2, 3	The entire section is served by DEF.
Map page 4	T8S, R19E	10, 11	The entire section is served by DEF.
Map page 4	T8S, R19E	12, 13	All areas that are part of this agreement in this section are served by DEF.
Map page 4	T8S, R19E	14, 15	The entire section is served by DEF.
Map page 5	T8S, R18E	19, 20	This section is not part of this agreement.
Map page 5	T8S, R18E	21	DEF serves one full parcel and five partial parcels in the northwestern quarter of the section, west of Interstate 75. ALACHUA serves one parcel in the southeastern quarter of the section. This is an irregular section.
Map page 5	T8S, R18E	28, 29, 30	All areas that are part of this agreement in this section are served by ALACHUA.
Map page 5	T8S, R18E	31, 32, 33	This section is not part of this agreement.
Map page 5	T8S, R18E	37	DEF serves all of the parcels west of Interstate 75. DEF also serves two parcels in the northeast quarter, north of Peggy Road, and three parcels adjacent to the east side of Interstate 75 along the eastern section line, south of Peggy Road. ALACHUA serves all of the parcels on the east side of Interstate 75 except for the two parcels that are served by DEF. This is

			an irregular section. Part of this section 37 continues on map page 6.
Map page 6	T8S, R18E	22	DEF serves three parcels east of Interstate 75, south of Peggy Road and north of the railroad line. DEF also serves several parcels south of NW CR 235, including parcels adjacent to NW 148 th Terrace, NW 132 nd Place, NW 145 th Terrace, NW 148 th Terrace, and NW 150 th Terrace to the southern and eastern section lines. ALACHUA serves all of the parcels south of the railroad line and north of NW CR 235 to the northern and eastern section lines. ALACHUA also serves seven parcels south of Peggy Road and north of NW CR 235. ALACHUA also serves sixteen parcels, divided by Interstate 75 to the west and south of NW CR 235. ALACHUA also serves thirteen parcels in the south eastern quarter of the southern section adjacent to NW 142 nd Terrace and NW 128 th Place. This is an irregular section.
Map page 6	T8S, R18E	23, 24, 25, 26	The entire section is served by ALACHUA.
Map page 6	T8S, R18E	27	All areas that are part of this agreement in this section are served by ALACHUA.
Map page 6	T8S, R18E	34	This section is not part of this agreement.
Map page 6	T8S, R18E	35	All areas that are part of this agreement in this section are served by ALACHUA.
Map page 6	T8S, R18E	36	The entire section is served by ALACHUA. This is an irregular section.
Map page 6	T8S, R18E	37	ALACHUA serves all of the parcels north of Peggy Road. DEF serves all of the parcels south of Peggy Road. This is an irregular section. Part of this section 37 is shown on map page 5.
Map page 6	T8S, R18E	38, 39, 40	The entire section is served by ALACHUA. These are irregular sections.
Map page 7	T8S, R19E	19	DEF serves all of the parcels north of US 441/MLK Highway and south of the railroad line except for the large parcel that is served by ALACHUA. ALACHUA serves the remainder of the section except for two partial parcels along the northern section line that are not part of this agreement. This is an irregular section.
Map page 7	T8S, R19E	20	ALACHUA serves six parcels north of the railroad line. ALACHUA also serves six parcels north of US 441/MLK Highway and south of the railroad line (part of these parcels are in section 19). ALACHUA also serves the parcels in the southeastern quarter of the section, along the eastern section line, north of NW 126 th Avenue and adjacent to NW 73 rd Terrace, NW 75 th Terrace, NW 127 th Place and NW 128 th Place. DEF serves eighteen parcels north of US 441/MLK Highway and south of the railroad line, including parcels adjacent to NW 77 th Terrace in the southeastern quarter. This is an irregular section.

Map page 7	T8S, R19E	21	The entire section is served by DEF. This is an irregular section.
Map page 7	T8S, R19E	28	ALACHUA serves the entire section except where DEF serves thirteen parcels south of US 441/MLK Highway in the northern half of the section. This is an irregular section.
Map page 7	T8S, R19E	29	The entire section is served by ALACHUA. This is an irregular section.
Map page 7	T8S, R19E	33	The entire section is served by ALACHUA. This is an irregular section.
Map page 7	T8S, R19E	38, 39	The entire section is served by ALACHUA. This is an irregular section.
Map page 8	T8S, R19E	22, 23	The entire section is served by DEF.
Map page 8	T8S, R19E	24	All areas that are part of this agreement in this section are served by DEF.
Map page 8	T8S, R19E	25, 26	This section is not part of this agreement.
Map page 8	T8S, R19E	27	All areas that are part of this agreement in this section are served by ALACHUA.
Map page 8	T8S, R19E	34	All areas that are part of this agreement in this section are served by ALACHUA. This is an irregular section.
Map page 8	T8S, R19E	35	All areas that are part of this agreement in this section are served by ALACHUA. This is an irregular section.
Map page 8	T8S, R19E	36	This section is not part of this agreement.
Map page 9	T9S, R19E	3	This section is not part of this agreement. This is an irregular section.
Map page 9	T9S, R19E	4, 5	All areas that are part of this agreement in this section are served by ALACHUA. These are irregular sections.
Map page 9	T9S, R19E	8	This section is not part of this agreement. This is an irregular section.
Map page 9	T9S, R19E	9	All areas that are part of this agreement in this section are served by ALACHUA.
Map page 9	T9S, R19E	10	This section is not part of this agreement.
Map page 9	T9S, R19E	15, 16, 17	This section is not part of this agreement.