

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint petition for approval of territorial
agreement in Lake County by Sumter Electric
Cooperative, Inc. and City of Mount Dora.

DOCKET NO. 160152-EU
ORDER NO. PSC-16-0365-PAA-EU
ISSUED: August 30, 2016

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
LISA POLAK EDGAR
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING PROPOSED TERRITORIAL AGREEMENT IN LAKE COUNTY
BETWEEN SUMTER ELECTRIC COOPERATIVE, INC. AND CITY OF MOUNT DORA

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 (F.A.C.).

Background

On June 17, 2016, the City of Mount Dora (Mount Dora) and Sumter Electric Cooperative, Inc. (SECO) filed a joint petition for approval of their territorial agreement (agreement) in Lake County. The proposed agreement is attached as Exhibit 1 to the petition, while the maps and written descriptions are attached as Composite Exhibit A, Composite Exhibit 2, and Exhibit 3 to the agreement (due to the volume of the exhibits, they have not been attached to this Order).

This Commission approved the prior territorial agreement between Mount Dora and SECO in 1996.¹ That agreement was for a term of 20 years and the joint petitioners wish to continue this territorial agreement delineating their respective service boundaries in Lake County for a term of 20 years. In the new agreement there will be no customer or facility transfers.

¹ Order No. PSC-96-0886-FOF-EU, issued July 9, 1996, in Docket No. 960396-EU, In re: Joint petition for approval of territorial agreement between Sumter Electric Cooperative, Inc. and City of Mount Dora.

Decision

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. Unless we determine that the agreement will cause a detriment to the public interest, the agreement should be approved.²

SECO and Mount Dora executed the new agreement on March 1, 2016, to replace the current agreement that expired in July 2016. Through the proposed agreement, the joint petitioners desire to continue the existing agreement with no changes to the territorial boundary lines and no customer transfers. In response to Commission staff's inquiry, the petitioners listed the differences between the current and the proposed agreements.³ All modifications are designed to address possible future events. The modifications include clarification that the territories will not change as a result of expansion of future municipal boundaries, new details to assist in assigning future new customers to the appropriate service territory, new language requiring referral of future service requests made to the wrong utility be referred to the other party, and revisions to the compensation provisions applicable if and when facilities are transferred in the future.

The proposed agreement will remain in effect for 20 years, and after the initial 20-year term the agreement will automatically renew for successive one-year renewal terms unless a party terminates the agreement with 12 months prior written notification.

There are no plans to transfer customers and there are no extra-territorial customers under the new agreement. Since no customers or facilities are being transferred, there is no purchase price to be considered, and no notice to customers is required pursuant to Rule 25-6.0440(1)(d), Florida Administrative Code (F.A.C.). Each party to the agreement will operate and maintain its lines and facilities. The joint petitioners assert that the proposed agreement will serve to prevent uneconomic duplication of facilities and therefore the proposed agreement is of public interest and should be approved.

We find that the proposed agreement is in the public interest and will enable Mount Dora and SECO to serve their current and future customers. It appears that the proposed agreement eliminates any potential uneconomic duplication of facilities and will not cause a decrease in the reliability of electric service. Therefore, we find that the proposed territorial agreement between Mount Dora and SECO shall be approved as it is consistent with this Commission's policy of encouraging agreements, promoting reliable energy, and has no immediate impact upon Mount Dora's or SECO's general body of ratepayers.

Based on the foregoing, it is

² Utilities Commission of the City of New Smyrna Beach v. Florida Public Service Commission, 469 So. 2d 731 (Fla. 1985).

³ Document No. 05006-16.

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ORDERED by the Florida Public Service Commission that the proposed territorial agreement between Mount Dora and SECO shall be approved. 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, Florida Administrative Code, is received by 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 30th day of August, 2016.



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.

WLT

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.

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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 September 20, 2016.

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.