

STATE OF FLORIDA



COMMISSIONERS:  
JULIE I. BROWN, CHAIRMAN  
LISA POLAK EDGAR  
ART GRAHAM  
RONALD A. BRISÉ  
JIMMY PATRONIS

DIVISION OF ECONOMICS  
GREG SHAFER  
DIRECTOR  
(850) 413-6410

# Public Service Commission

October 20, 2016

Matthew R. Bernier  
Senior Counsel  
Duke Energy Florida  
106 E. College Ave., Suite 800  
Tallahassee, FL 32301

**Re: Docket No. 160211-EU: Joint Petition of Suwannee Valley Electric Cooperative and Duke Energy Florida, LLC for approval of a territorial agreement in Columbia, Lafayette, Suwannee and Hamilton Counties.**

Dear Mr. Bernier:

By this letter and pursuant to subsection 366.04(2), Florida Statutes, Commission staff respectfully requests the following information from Suwannee Valley Electric Cooperative (SVEC) and Duke Energy Florida, LLC (DEF):

1. Please describe any differences between the prior agreement which expired on March 14, 2015, and the proposed agreement, and the parties' rationale for the changes.
2. Paragraph 4 of the joint petition states that "the modified territorial boundaries are depicted in the Territorial Boundary maps attached in Exhibit A." Please provide a higher quality single map clearly depicting the old territorial boundaries and the modified territorial boundaries.
3. Please provide a single map that clearly displays the 68 customers being transferred from SVEC to DEF and the 131 customers being transferred from DEF to SVEC.
4. Are the parties abiding by the terms of the prior agreement for the period of time between its expiration and the Commission's decision on the new agreement? If not, please explain.
5. Is it the intent of DEF and SVEC to exchange any facilities or purchase any facilities from the transfer utility? If so, please provide an estimate of the exchange and/or purchase price.
6. In reference to Section 2.5 of the Territorial Agreement, does either party expect to be found inadvertently providing service to customers not in its territory?

---

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850

An Affirmative Action / Equal Opportunity Employer

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

Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

7. In reference to Section 3.4: Compensation for Transferred Customers of the Territorial Agreement:
  - a. What are the estimated amounts each party will pay for the transferred customers by rate class?
  - b. Is there a deadline for the compensation due for the transferred customers?
  - c. Please describe how the transfer and compensation received for the transfer of customers benefit both the entire customer base and the customers being transferred.
  - d. Is Section 3.4 a new provision, and what is the goal this provision is trying to accomplish?
  - e. How many of the total 199 customers being transferred are applicable for compensation?
  - f. Who would be considered a Temporary Service Customer?
8. Does this Territorial Agreement supersede any prior agreements with Madison County? How do the companies intend to address these agreements?
9. DEF and SVEC submitted a joint petition to the Commission on March 9, 2016, requesting to reopen and extend the term of their existing territorial agreement in Columbia, Lafayette, Madison, and Suwannee Counties. The joint petitioners' request for the six-month extension to complete negotiations was approved by Commission Order No. PSC-16-02360-CO-EU, issued June 13, 2016, in Docket No. 160056-EU. The current petition, which was submitted at the completion of the six-month extension, includes a territorial agreement for Columbia, Lafayette, Suwannee, and Hamilton Counties.
  - a. Please explain and describe why Madison County has been excluded from the currently proposed territorial agreement (was included in Docket No. 160056-EU).
  - b. Please explain and describe why Hamilton County has been added to the currently proposed territorial agreement between DEF and SVEC.
10. Please refer to Section 0.4 in Page 7 of 315 of the Territorial Agreement which states that "the Parties are also parties to a territorial agreement in Hamilton County, which was approved by Commission Order No. 23310 issued August 6, 1990, in Docket No. 890780-EU (the "Expired Agreement"). Please state when the parties' agreement with Hamilton County expired and please explain how the terms of the agreement were in compliance since it expired.
11. In the absence of Madison County's inclusion in the currently proposed agreement in Docket No. 160211-EU, please state which electric utility will serve the Madison County electric customers, how many, and under what authority?
12. How many Madison County customers were being served by DEF and by SVEC when the joint petitioners requested the extension in Docket No. 160056-EU?

13. Section 1.6 of the Territorial Agreement alludes to the fact that modifications of the Territorial Boundary Lines will result in new extra-territorial customers. Please state how many extra-territorial customers will be created by the modified boundary lines, and please explain with a timeframe if these customers will later be served by their respective utilities.
14. Have the parties received any customer feedback concerning the proposed agreement, to date? If so please provide an update.
15. The joint petition describes that this agreement is to “avoid duplication of services and wasteful expenditures as well as to best protect the public health and safety from potentially hazardous conditions”. Please expound on these points and describe how this change will benefit both the entire customer base as well as the specific customers being transferred.

Please file all responses electronically no later than Wednesday, November 9, 2016, via the Commission’s website at [www.floridapsc.com](http://www.floridapsc.com) by selecting the Clerk’s Office tab and electronic Filing Web Form. Please feel free to call me at (850) 413-6638 if you have any questions.

Thank you,

*/s/Nathan Whitchurch*

Nathan Whitchurch  
Public Utility Analyst I  
[nwhitchu@psc.state.fl.us](mailto:nwhitchu@psc.state.fl.us)

cc: Office of Commission Clerk  
Dianne M. Triplett, Duke Energy Florida, LLC ([dianne.triplett@duke-energy.com](mailto:dianne.triplett@duke-energy.com))  
Tripp Coston, Economics Supervisor, Conservation, Florida Public Service Commission  
([tcoston@psc.state.fl.us](mailto:tcoston@psc.state.fl.us))  
Joshua D. Crapps, Attorney for Suwannee Valley Electric Cooperative  
([gatorcrapps@yahoo.com](mailto:gatorcrapps@yahoo.com))