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March 8, 2018

VIA EMAIL (AB@MACFAR.COM)

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One Tampa City Center, Suite 2000
201 N. Franklin Street
Tampa, FL 33602

RECEIVED-PPSC
2018 MAR 12 AM 9:06
COMMISSION
CLERK

Re: Petition to Resolve a Territorial Dispute between Peoples Gas and The City of
Leesburg/South Sumter Gas Company

Dear Mr. Brown:

This firm represents The Villages Land Company, LLC and its related entity, South Sumter Gas Company, LLC. My clients have requested that I respond to your letter dated February 23, 2018. In that letter, you write, on behalf of Peoples Gas System ("Peoples Gas"), to the City of Leesburg ("City") to request that the City cease compliance with the terms of its Natural Gas System Construction, Purchase, and Sale Agreement (the "Contract") with our client. It is clear from your letter that, your client admits it is aware of this contractual relationship. Please be advised that by making this request, Peoples Gas is interfering with the performance of an existing and lawful contract. Further, your client is intentionally interfering with my clients' advantageous business relationships with the City. Peoples Gas is hereby demanded to retract its letter and specifically its request that the City not timely comply with the Contract. Failure of Peoples Gas to immediately do so will result in the filing of litigation to recover damages for this tortious conduct.

I would note that the action of Peoples Gas is wholly motivated by financial gain and not based upon any lawful rights it holds. We believe that the outcome of the Petition ("Petition") filed with the Public Services Commission ("PSC") will affirm that Peoples Gas was not protecting any right established in law or contract. Instead, it will be demonstrated that Peoples Gas took these actions without any legally enforceable interest in the area subject to the Contract. We believe that such a PSC determination will establish for a jury that Peoples Gas acted solely in an attempt to force a concession to which Peoples Gas is not entitled. Such a finding would support not only the millions in anticipated actual damages but also punitive damages.

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I also want to be clear that Peoples Gas will not be rewarded for this untenable position. Even if Peoples Gas could prevail (which it cannot) before the PSC, there would never be an agreement between my clients and Peoples Gas. My clients have previously suffered through the actions of Peoples Gas in failing to keep schedule and delaying construction to my client's significant harm. In light of this history, our client cannot rely on Peoples Gas in the development of its current and future land holdings. If Peoples Gas could prevent the City from using these lines, my client would simply install electric appliances in these homes rather than allow Peoples Gas to delay construction and delivery of new homes and non-residential buildings. There is no scenario under which Peoples Gas will benefit from its tortious conduct in this matter.

Thus, we again demand that Peoples Gas withdraw its letter and the Petition before the PSC. Failure of Peoples Gas to take such appropriate actions will subject it to significant damages claims.

Sincerely,

BROAD AND CASSEL LLP



Todd K. Norman, P.A.
Partner

TKN:ag

cc: ✓ Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
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