

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power & Light Company (FPL) for authority to charge FPL rates to former City of Vero Beach customers and for approval of FPL's accounting treatment for City of Vero Beach transaction.

Docket No. 20170235-EI

In re: Joint petition to terminate territorial agreement, by Florida Power & Light and the City of Vero Beach

Docket No. 20170236-EU

Filed: August 27th, 2018

**INDIAN RIVER COUNTY BOARD OF COUNTY COMMISSIONERS'
PETITION TO INTERVENE**

The Indian River County Board of County Commissioners (the "Board"), by and through its undersigned counsel, and pursuant to Section 120.54, Florida Statutes, and Rule 28-106.205, Florida Administrative Code, hereby files this Petition to Intervene (the "Petition") in the Florida Public Service Commission (the "Commission") Docket Nos. 20170235-EI and 20170236-EU. In support of its Petition, the Board states as follows:

I. Introduction

1. Intervener's name, address, e-mail address, telephone number, and any facsimile number of the intervener's attorney:

Dylan Reingold, County Attorney
Indian River County Board of County Commissioners
1801 27th Street - Building A
Vero Beach, FL 32960-3365
Phone: (772) 226-1427
Fax: (772) 569-4317
Email address: dreingold@ircgov.com

II. Entitlement to Participate

2. As noted in Order No. PSC-2018-0336-PAA-EU, dated July 2, 2018 (the “Order”), approximately 60 percent of the City of Vero Beach’s (“COVB’s”) 35,000 utility customers reside outside the COVB municipal borders including customers residing in portions of unincorporated Indian River County and portions of the Town of Indian River Shores.
3. As the Commission recognized in the Order, for many years, there has been controversy because customers living outside the boundaries of the COVB want to be served by FPL because it charges lower rates than COVB. The customers who live outside COVB have argued that they have no ability to vote for the members of the COVB City Council and thus have no voice concerning the operation or management of the COVB’s electric utility and no redress to any governmental authority.
4. As explained in the Order, a COVB residential customer who becomes an FPL customer who uses 1,000 kilowatt hours (kWh) would see a bill decrease from \$126.10 to \$99.37, a decrease of \$26.73 or approximately 21.2 percent, based on rates effective March 2018. And COVB commercial and industrial customers would also see bill decreases based on usage.
5. As noted in the Order, the dissatisfaction has resulted in years of controversy, repeated efforts to address issues through legislation, multiple filings with the Commission, and litigation between the COVB and the Town of Indian River Shores and Indian River County.

6. As the elected representative of all of the citizens of Indian River County, the Board is especially mindful of its role in ensuring that all of its citizens, and especially the citizens served by the COVB in the unincorporated areas of Indian River County, have access to high quality, cost-effective electric service. The health, safety, and welfare of our citizens depend upon this indispensable service, and reliable and affordable electricity is vital to the economic development and well-being of our entire community.
7. Additionally, pursuant to section 120.52(13)(d), Florida Statutes, Indian River County has the right to be a party in this proceeding as a county representative representing the interests of the consumers of Indian River County, since the proceeding involves the substantial interests of a significant number of residents of the Indian River County and the Indian River County Board of County Commissioners has adopted several resolutions supporting the sale of the COVB electric utility to FPL, including most recent Resolution 2017-046, expressing support for the current sale proposal. See attached.
8. The Board is also a COVB electric customer, with accounts for many Indian River County facilities including the Indian River County Sheriff's Office, located at 4055 41st Avenue, Vero Beach, FL 32960, the Indian River County Main Library, located at 1600 21st Street, Vero Beach, FL, 32960, and the Indian River County Administration Building, located at 1801 27th Street, Vero Beach, FL, 32960.
9. In FY 2016-2017, the Board paid a total of \$1,850,000 in electric bills to the COVB. A 21.2 percent decrease in the electric bill would have resulted in a savings to the Board in FY 2016/2017 of \$392,200.
10. The Board supports the preliminary agency action Order No. PSC-2018-0336-PAA-EU, dated July 2, 2018, approving the COVB – FPL electric sale as structured.

11. Pursuant to subsection 28-106.204(3), Florida Administrative Code, the undersigned counsel on behalf of the Board has conferred with all other parties of record and except for Mr. Moran, no party objects to the petition to intervene. Undersigned counsel has emailed Mr. Moran on August 22, 2018, August 23, 2018 and August 24, 2018 and have no received a response as to whether Mr. Moran objects.

III. Conclusions and Relief

12. Given the impact to the Board as both a COVB electric customer and as the representative of both the ratepayers in the COVB and outside of the COVB municipal boundaries, the Board has demonstrated that it is entitled to intervene and participate in the proceeding.

WHEREFORE, the Indian River County Board of County Commissioners respectfully requests that the Florida Public Service Commission grant the Petition and uphold the preliminary agency action Order No. PSC-2018-0336-PAA-EU, dated July 2, 2018.

Respectfully submitted this 27th day of August, 2018.

/s/ Dylan Reingold

DYLAN REINGOLD, County Attorney
Indian River County
Florida Bar No:544701
1801 27th Street, Vero Beach, Florida 32960
E-service Address: dreingold@ircgov.com
Telephone Number: (772) 226-1405
Facsimile Number: (772) 569-4317

CERTIFICATE OF SERVICE DOCKET NOS. 20170235-EI AND 20170236-EU

I HEREBY CERTIFY that a true and correct copy of this Petition to Intervene was served electronically this 27th day of August 2018, to the following:

Kathryn G. W. Cowdery, Esq.
Jennifer Crawford, Esq.
Charles Murphy, Esq.
Office of General Counsel
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
kcowdery@psc.state.fl.us
j.crawford@psc.state.fl.us
c.murphy@psc.state.fl.us
Florida Public Service Commission

Mr. Ken Hoffman
215 South Monroe Street, Suite 810
Tallahassee FL 32301
ken.hoffman@fpl.com
Bryan S. Anderson
700 Universe Boulevard
Juno Beach FL 33408
bryan.anderson@fpl.com
ken.rubin@fpl.com
Florida Power & Light Company

James O'Connor
City Manager
1053 20th Place
Vero Beach, FL 32961
citymgr@covb.org
City of Vero Beach

Lynne A. Larkin, Esq.
5690 HWY A1A, #101
Vero Beach, FL 32963
lynnelarkin@bellsouth.net
Civic Association of Indian River County, Inc.

Brian T. Heady
406 19th Street
Vero Beach, FL 32960
brianheady@msn.com

J. R. Kelly, Esq.
Stephanie Morse, Esq.
Charles Rehwinkel, Esq.
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399
kelly.jr@leg.state.fl.us
morse.stephanie@leg.state.fl.us
Rehwinkel.charles@leg.state.fl.us
Office of Public Counsel

Jon C. Moyle, Jr., Esq.
Karen A. Putnal, Esq.
Moyle Law Firm, P.A.
118 North Gadsen Street
Tallahassee, FL 32301
jmoyle@moylelaw.com
kputnal@moylelaw.com
Florida Industrial Power Users Group

J. Michael Walls, Esq.
Carlton Fields
4221 Boy Scout Blvd., Suite 1000
Tampa, FL 33607
mwalls@carltonfields.com

Michael Moran
P.O. Box 650222
Vero Beach, FL 32965
Mmoran@veronet.net

By: /s/ Dylan Reingold
Dylan Reingold, Indian River County Attorney

RESOLUTION NO. 2017- 046

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF INDIAN RIVER COUNTY, FLORIDA, URGING THE CITY COUNCIL OF THE CITY OF VERO BEACH, FLORIDA TO VOTE IN FAVOR OF THE FULL SALE OF THE VERO BEACH ELECTRIC SYSTEM TO FLORIDA POWER & LIGHT COMPANY; DIRECTING COPIES OF THIS RESOLUTION TO BE PROVIDED TO APPROPRIATE PARTIES.

WHEREAS, on November 3, 1981, the Florida Public Service Commission approved a Territorial Agreement between the City of Vero Beach (the "City") and Florida Power & Light ("FPL") which established electric service areas for the City and FPL in Indian River County. Specifically, the electric service area for the City was defined to include the City itself, the Town of Indian River Shores, the south barrier island, and other unincorporated areas of the County, and the service area for FPL was defined to include all other areas of the County; and

WHEREAS, approximately 61% of the City's present customers reside outside the City of Vero Beach. The City has approximately 34,000 total customers, of which approximately 21,000 are non-resident customers. This percentage of non-resident customers (61%) is believed to be the highest percentage of any municipal electric system in Florida; and

WHEREAS, Indian River County, as well as several other taxing bodies such as the Town of Indian River Shores, the Indian River County School Board and the Indian River County Hospital District, are customers of the City electric system and as such pay higher City rates. These increased costs result in higher taxes being imposed on Indian River County taxpayers; and

WHEREAS, FPL has made an offer to buy the entire City of Vero Beach electric utility system for \$185 million; and

WHEREAS, FPL has stated that the \$185 million includes a payment 1) for the cost to exit the Florida Municipal Power Agency (\$108 million); 2) for the cost to exit the power agreement with the Orlando Utilities Commission (\$20 million); 3) for the City's electric utility bonds (\$20.4 million); 4) for a one-time lease payment for the City's substation (\$10 million); 5) for the City's pension liability (\$6.6 million); and 6) of cash (\$20 million); and

WHEREAS, FPL has also offered employment to all qualified City electric system employees; and

WHEREAS, the Board, as the elected representative of all residents of Indian River County, including, those customers of the City's electric utility whose residence or business is located outside of the City limits, has consistently supported the sale of the City's electric utility to FPL, having previously adopted supporting resolutions on several occasions supported the sale by the City to FPL; and

RESOLUTION NO. 2017-046

WHEREAS, the people of the City of Vero Beach have on numerous occasions shown that they wish their electric needs be provided with rates comparable to FPL,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF INDIAN RIVER COUNTY, FLORIDA THAT:

1. **Position of the Board.** The Indian River County Board of County Commissioners hereby urges the City Council of the City of Vero Beach to vote in favor of accepting the terms offered by FPL for the full sale of the City of Vero Beach electric utility.

2. A certified copy of this resolution shall be provided to the City Council of the City of Vero Beach.

The foregoing resolution was moved for adoption by Commissioner O'Bryan, and motion was seconded by Commissioner Flescher and, upon being put to a vote, the vote was, as follows:

Chairman Joseph E. Flescher	<u>AYE</u>
Vice Chairman Peter D. O'Bryan	<u>AYE</u>
Commissioner Susan Adams	<u>AYE</u>
Commissioner Bob Solari	<u>AYE</u>
Commissioner Tim Zorc	<u>AYE</u>

The Chairman thereupon declared the resolution duly passed and adopted this 16th day of May, 2017.

ATTEST: Jeffrey R. Smith, Clerk of Court
and Comptroller

By: [Signature]
Deputy Clerk

BOARD OF COUNTY COMMISSIONERS
OF INDIAN RIVER COUNTY, FLORIDA

By: [Signature]
Joseph E. Flescher, Chairman

BCC approval date: May 16, 2017

Approved as to form and legal sufficiency:

By: [Signature]
Dylan Reingold, County Attorney

