

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF DEVELOPMENT OF RULEMAKING

TO

ALL INTERESTED PERSONS

UNDOCKETED

IN RE: PROPOSED AMENDMENT OF RULES 25-6.0440, TERRITORIAL AGREEMENTS
FOR ELECTRIC UTILITIES; 25-6.0441, TERRITORIAL DISPUTES FOR ELECTRIC
UTILITIES.

ISSUED: November 19, 2019

NOTICE is hereby given pursuant to Section 120.54, Florida Statutes, that the Florida Public Service Commission staff has initiated rulemaking to amend Rules 25-6.0440 and 25-6.0441, Florida Administrative Code. The purpose of this rulemaking is to clarify the standards the Commission applies to approve territorial agreements and decide territorial disputes, and to enhance the readability of the rules.

The attached Notice of Development of Rulemaking appeared in the November 18, 2019 edition of the Florida Administrative Register, Vol. 45, No. 224. If requested in writing and not deemed unnecessary by the agency head, a rule development workshop will be scheduled and noticed in the next available Florida Administrative Register. Written requests for a rule development workshop must be submitted to Andrew King, Office of the General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, aking@psc.state.fl.us by December 4, 2019. A copy of the preliminary drafts of the rules are attached.

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By DIRECTION of the Florida Public Service Commission this 19th day of November,
2019.



ADAM J. TEITZMAN
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.

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Notice of Development of Rulemaking

PUBLIC SERVICE COMMISSION

RULE NOS: RULE TITLES:

25-6.0440 Territorial Agreements for Electric Utilities

25-6.0441 Territorial Disputes for Electric Utilities

PURPOSE AND EFFECT: To clarify the standards the Commission applies to approve territorial agreements and decide territorial disputes, and to enhance the readability of the rules.

Undocketed

SUBJECT AREA TO BE ADDRESSED: The standards the Commission applies to approving territorial agreements and deciding territorial disputes.

RULEMAKING AUTHORITY: 350.127(2), 366.05(1), FS.

LAW IMPLEMENTED: 366.04(2), (4), (5), 366.05(7), FS.

IF REQUESTED IN WRITING AND NOT DEEMED UNNECESSARY BY THE AGENCY HEAD, A RULE DEVELOPMENT WORKSHOP WILL BE NOTICED IN THE NEXT AVAILABLE FLORIDA ADMINISTRATIVE REGISTER.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE DEVELOPMENT AND A COPY OF THE PRELIMINARY DRAFT, IF AVAILABLE, IS: Andrew King, Florida Public Service Commission, Office of the General Counsel, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850, (850)413-6195, aking@psc.state.fl.us.

THE PRELIMINARY TEXT OF THE PROPOSED RULE DEVELOPMENT IS AVAILABLE AT NO CHARGE FROM THE CONTACT PERSON LISTED ABOVE.

1 **25-6.0440 Territorial Agreements for Electric Utilities.**

2 (1) All territorial agreements between electric utilities must ~~shall~~ be submitted to the
3 Commission for approval. Each territorial agreement must ~~shall~~ clearly identify the
4 geographical area to be served by each utility. The submission must ~~shall~~ include:

- 5 (a) A map and a written description of the area,
6 (b) The terms and conditions pertaining to implementation of the agreement, and any other
7 terms and conditions pertaining to the agreement,
8 (c) The number and class of customers to be transferred,
9 (d) Assurance that the affected customers have been contacted and the difference in rates
10 explained,
11 (e) Information with respect to the degree of acceptance by affected customers, i.e., the
12 number in favor of and those opposed to the transfer, and
13 (f) An official Florida Department of Transportation (DOT) General Highway County map
14 for each affected county depicting boundary lines established by the territorial agreement.

15 Upon approval of the agreement, any modification, changes, or corrections to this agreement
16 must be approved by this Commission.

17 (2) Standards for Approval. In approving territorial agreements, the Commission will ~~may~~
18 consider, ~~but not be limited to consideration of:~~

- 19 (a) The reasonableness of the purchase price of any facilities being transferred;
20 (b) The reasonable likelihood that the agreement, in and of itself, will not cause a decrease
21 in the reliability of electrical service to the existing or future ratepayers of any utility party to
22 the agreement; and
23 (c) The reasonable likelihood that the agreement will eliminate existing or potential
24 uneconomic duplication of facilities.

25 (3) The Commission may require additional relevant information from the parties of the
CODING: Words underlined are additions; words in ~~struck through~~ type are deletions from
existing law.

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1 | agreement, if so warranted.

2 | *Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.04(2), (4), (5),*

3 | *366.05(7) FS. History—New 3-4-90, Amended 2-13-96,_____.*

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1 **25-6.0441 Territorial Disputes for Electric Utilities.**

2 (1) A territorial dispute proceeding may be initiated by a petition from an electric utility
3 requesting the Commission to resolve the dispute. Additionally the Commission may, on its
4 own motion, identify the existence of a dispute and order the affected parties to participate in a
5 proceeding to resolve it. Each utility that ~~which~~ is a party to a territorial dispute must ~~shall~~
6 provide a map and a written description of the disputed area along with the conditions that
7 caused the dispute. Each utility party must ~~shall~~ also provide a description of the existing and
8 planned load to be served in the area of dispute and a description of the type, additional cost,
9 and reliability of electrical facilities and other utility services to be provided within the
10 disputed area.

11 (2) In resolving territorial disputes, the Commission will ~~may~~ consider, ~~but not be limited~~
12 ~~to consideration of:~~

13 (a) The capability of each utility to provide reliable electric service within the disputed
14 area with its existing facilities and the extent to which additional facilities are needed;

15 (b) The nature of the disputed area including population and the type of utilities seeking to
16 serve it, the ~~and~~ degree of urbanization of the area and its proximity to other urban areas, and
17 the present and reasonably foreseeable future requirements of the area for other utility
18 services;

19 (c) The cost of each utility to provide distribution and subtransmission facilities to the
20 disputed area presently and in the future; and

21 (d) Customer preference if all other factors are substantially equal.

22 (3) The Commission may require additional relevant information from the parties of the
23 dispute, if so warranted.

24 (4) Upon resolution of each territorial dispute, the parties to the dispute must ~~shall~~ submit
25 to the Commission an official Florida Department of Transportation (DOT) General Highway
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1 County map for each affected county depicting boundary lines established by the resolution of
2 the territorial dispute.

3 *Rulemaking Authority 350.127(2), 366.05(1) FS. Law Implemented 366.04(2), (4), (5),*
4 *366.05(7) FS. History--New 3-4-90, Amended 2-13-96, _____.*

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