

State of Florida



Public Service Commission

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

-M-E-M-O-R-A-N-D-U-M-

DATE: December 22, 2020

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Guffey) *JGH*
Office of the General Counsel (Osborn, Crawford) *JSC*

RE: Docket No. 20200217-EU – Joint petition for approval of territorial agreement in Jefferson, Madison and Taylor Counties, by Tri-County Electric Cooperative and Duke Energy Florida, LLC.

AGENDA: 01/05/21 – Regular Agenda – Proposed Agency Action - Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Graham

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On September 16, 2020, Tri-County Electric Cooperative (TCEC) and Duke Energy Florida, LLC (DEF) filed a joint petition seeking approval of their modified territorial agreement (Territorial Agreement) in Jefferson, Madison, and Taylor counties. The Commission approved the joint petitioners' original territorial agreement in Order No. PSC-92-1214-FOR-EU.¹ The proposed modified Territorial Agreement seeks to transfer 193 TCEC customers to DEF and 225 DEF customers to TCEC. The joint petitioners have also negotiated respective service boundaries in Jefferson, Madison, and Taylor counties. The proposed Territorial Agreement is Attachment A, responses to staff's second data request correcting errors in the Territorial Agreement is Attachment B, and the maps are Attachment C to this recommendation. Pursuant to

¹ Order No. PSC-92-1214-FOR-EU, issued October 27, 1992, in Docket No. 19920538-EU, *In re: Joint Petition for approval of Territorial Agreement between Florida Power Corporation and Tri-County Electric Cooperative, Inc.*

Docket No. 20200217-EU

Date: December 22, 2020

Rule 25-6.0440(1)(a), Florida Administrative Code (F.A.C.), the joint petitioners provided a written description of the territorial boundaries in Exhibit D of the petition. Pursuant to Rule 25-6.0440(1)(d), F.A.C., the customers subject to the transfer were notified by letter (Exhibit E of the petition).

The proposed modified Territorial Agreement establishes the new territorial boundaries reflecting the assets and customers transferred between TCEC and DEF. During the review process, staff issued two data requests to the joint petitioners to which responses were received on November 4, 2020 and on November 19, 2020. The Commission has jurisdiction over this matter pursuant to Section 366.04, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the Commission approve the proposed modified Territorial Agreement in Jefferson, Madison, and Taylor counties between Tri-County Electric Cooperative (TCEC) and Duke Energy Florida, LLC (DEF)?

Recommendation: Yes, the Commission should approve the modified Territorial Agreement in Jefferson, Madison, and Taylor counties between TCEC and DEF. The approval of this Territorial Agreement will not be a detriment to the public interest and it will enable TCEC and DEF to avoid duplication of facilities. The modified Territorial Agreement between TCEC and DEF should become effective on the date the Commission order approving the 2020 Territorial Agreement becomes final. (Guffey)

Staff Analysis: Pursuant to Section 366.04(2)(d), F.S., and Rule 25-6.0440(2), F.A.C., the Commission has the jurisdiction to approve territorial agreements between and among rural electric cooperatives, municipal electric utilities, and other electric utilities. Unless the Commission determines that the agreement will cause a detriment to the public interest, the agreement should be approved.²

The Proposed Modified Territorial Agreement

TCEC and DEF entered into the proposed Territorial Agreement on September 15, 2020, to replace the 1992 Territorial Agreement, which expired in October 2012. The joint petitioners have negotiated the agreement delineating their respective modified service boundaries in each county that is part of this proposed Territorial Agreement. In response to staff's first data request, the joint petitioners stated since 2012, they continued to collaborate to provide service and perform due diligence activities to update and revise the agreement. Upon its approval by the Commission, and pursuant to Section 5.3, the proposed Territorial Agreement will supersede any and all prior agreements between the parties in Jefferson, Madison, and Taylor counties. Through the proposed Territorial Agreement, the joint petitioners seek to gain operational efficiencies and customer service improvements in their respective retail service territories in Jefferson, Madison, and Taylor counties and eliminate circumstances leading to uneconomic duplication of service facilities and hazardous situations. The Territorial Agreement represents the continued effort by the parties to minimize unnecessary duplication of generation, transmission, and distribution facilities and accurately delineate their respective service boundaries which are contiguous.

The proposed Territorial Agreement has been negotiated for a term of 30 years from the date the Commission order approving the Territorial Agreement in its entirety is no longer subject to judicial review. Pursuant to Section 6.1 of the proposed Territorial Agreement, upon the expiration of the initial 30-year term, the Territorial Agreement shall remain in effect until either party provides written notification to terminate no less than 12 months prior to the termination date in accordance with Section 8.2 of the Territorial Agreement. Pursuant to Article V of the Territorial Agreement, any modifications to this agreement will be submitted to the Commission for approval.

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

Customer and Facilities Transfer

This proposed Territorial Agreement contemplates the transfer of 193 TCEC customers (12 commercial, 181 residential) to DEF and 225 DEF customers (37 commercial, 188 residential) to TCEC. Section 3.5 of the proposed Territorial Agreement contemplates the transfer of these customers and the associated facilities in segments. A segment is based on geographic location and engineering requirements needed to complete the transfer.³ In response to staff's first data request, the petitioners stated that the transfer of these customers will be conducted in between 10 to 15 transfer segments based on geographic location and engineering requirements. Paragraph 5 of the petition and Section 3.1 of the Territorial Agreement state that the joint petitioners intend to complete all transfers within 36 months of the effective date of this Agreement. Pursuant to Sections 3.3 and 3.4 of the proposed Agreement, the receiving party of transferred customers may elect to purchase electric distribution facilities from the transferring party for the purpose of providing electricity to those customers. Purchase price and compensation will be determined by applying an industry cost calculator such as the Handy Whitman Index or a common engineering cost estimation methodology to the original cost.

Customer Notification

Pursuant to Rule 25-6.0440(1)(d), F.A.C., in early 2020, TCEC and DEF informed customers subject to transfer by letters of the impending transfers and rate comparisons for February 2020. The written notifications indicate a February residential rate of \$123.99 for 1,000 kilowatt-hours (kWh) for DEF and \$131.28 for 1,000 kWh for TCEC. The sample customer notification letters are included as Exhibit E in the petition. In response to staff's first data request, the joint petitioners provided September 2020 residential rates indicating \$130.26 for DEF and \$125.00 for TCEC for 1,000 kWh. In response to a supplemental request by staff, the joint petitioners confirmed that the transferred customers will be billed pursuant to their new utility's rates.⁴ Paragraph 6 of the petition states that, at the time of the filing, the petitioners have not received any negative responses to the customer notifications. Additionally, no customer comments or concerns have been filed in the docket file.

Conclusion

After review of the petition, the proposed modified Territorial Agreement, and evaluation of responses to staff's data requests, staff believes that the proposed Territorial Agreement will not be a detriment to the public interest and will enable TCEC and DEF to serve their current and future customers in an efficient manner.

The approval of this Territorial Agreement will not be a detriment to the public interest and it will enable TCEC and DEF to avoid duplication of facilities. Staff recommends that the modified Territorial Agreement between TCEC and DEF be approved and should become effective on the date the Commission order approving the 2020 Territorial Agreement becomes final.

³ Response No.3 in Staff's First Data Request, Document No. 11747-2020.

⁴ Supplemental Response, Document No. 13178-2020.

Issue 2: Should this docket be closed?

Recommendation: If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order. (Osborn, Crawford)

Staff Analysis: If no protest is filed by a person whose substantial interests are affected within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

ATTACHMENT 1

Territorial Agreement

Tri-County Electric Cooperative

and

Duke Energy Florida, LLC

Jefferson, Madison & Taylor counties

TERRITORIAL AGREEMENT

Section 0.1: Tri-County Electric Cooperative (“TCEC”), and Duke Energy Florida, LLC d/b/a Duke Energy (“DEF”) (collectively, the “Parties” and individually, a “Party”) enter into this Territorial Agreement (the “Agreement”) on this 15th day of September, 2020.

WITNESSETH:

Section 0.2: WHEREAS, TCEC by virtue of Chapter 425, Florida Statutes, and the Charter issued to it thereunder, is authorized and empowered to furnish retail electric service to its members, governmental agencies and political subdivisions, customers, and to other persons as defined by the laws of Florida, and pursuant to such authority, presently furnishes electric service to members and customers in areas of Jefferson, Madison and Taylor counties; and

Section 0.3: WHEREAS, DEF is authorized by Chapter 366, Florida Statutes, to furnish retail electric service to customers throughout the State of Florida, and pursuant to such authority, presently furnishes electric service to customers in areas of Jefferson, Madison and Taylor counties; and

Section 0.4: WHEREAS, TCEC and DEF were parties to a territorial agreement delineating their respective service territories in Jefferson, Madison and Taylor counties, which was approved by the Florida Public Service Commission (the “Commission”) in Order No. PSC 92-1214-FOR-EU, issued October 27, 1992 in Docket No. 920538-EU (the “Expired Agreement”). The Expired Agreement had a twenty (20) year term through October 27, 2012; and

Section 0.5: WHEREAS, the Parties desire to enter into a new Agreement to better serve their interests and the interests of their customers in realizing the planning, operational, and customer service benefits provided to their respective electric systems by a properly constructed, approved, and supervised territorial agreement; and

Section 0.6: WHEREAS, the respective retail service areas of the Parties are contiguous, with the result that, absent the establishment of a territorial agreement defining the Party's respective service territories, duplication of service facilities would be likely to occur; and

Section 0.7: WHEREAS, the Commission has previously recognized that duplication of service facilities results in needless and wasteful expenditures and may create hazardous situations, both being detrimental to the public interest; and

Section 0.8: WHEREAS, the Parties hereto desire to continue to avoid and eliminate circumstances which may create wasteful expenditures and hazardous situations by consolidating the territorial boundary lines between their respective retail service territories in Jefferson, Madison and Taylor counties; and

Section 0.9: WHEREAS, the Commission is empowered by the Florida legislature, pursuant to Section 366.04(2)(d), Florida Statutes, to approve territorial agreements and the Commission, as a matter of long-standing regulatory policy, has encouraged retail territorial agreements between electric utilities subject to its jurisdiction based on its findings that such agreements, when properly established and administered by the Parties and actively supervised by the Commission, avoid uneconomic duplication of facilities, promote safe and efficient operations by utilities in rendering electric service provided to their customers, and therefore serve the public interest.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, which shall be construed as being interdependent, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1: Territorial Boundary Line(s). As used herein, the term "Territorial Boundary Line(s)" shall mean the boundary line(s) depicted on the maps attached hereto as Exhibit A which delineate and differentiate the Parties' respective Territorial Areas in Jefferson, Madison and Taylor counties. The portions of the counties which are not subject to this agreement are marked on the maps as "Not Part of This Agreement." Additionally, as required pursuant to Rule 25-6.0440(1)(a), F.A.C., a written description of the territorial areas served is attached as Exhibit D. If there are any discrepancies between Exhibit A and Exhibit D, then the territorial boundary maps in Exhibit A shall prevail.

Section 1.2: TCEC Territorial Area. As used herein, the term "TCEC Territorial Area" shall mean the geographic areas in Jefferson, Madison and Taylor counties allocated to TCEC as its retail service territory and labeled as "Tri-County Electric Coop" on the maps contained in Exhibit A.

Section 1.3: DEF Territorial Area. As used herein, the term "DEF Territorial Area" shall mean the geographic area in Jefferson, Madison and Taylor counties allocated to DEF as its retail service territory and labeled as "Duke Energy" on the maps contained in Exhibit A.

Section 1.4: Point of Use. As used herein, the term “Point of Use” shall mean the location within the Territorial Area of a Party where a customer’s end-use facilities consume electricity, wherein such Party shall be entitled to provide retail electric service under this Agreement, irrespective of where the customer’s point of delivery or metering is located.

Section 1.5: New Customer. As used herein, the term “New Customer” shall mean all customers applying for retail electric service to either Party after the Effective Date of this Agreement at a Point of Use in the Territorial Area of either Party.

Section 1.6: Existing Customer. As used herein, the term “Existing Customer” shall mean any person receiving retail electric service from either Party as of the Effective Date of this Agreement.

Section 1.7: Extra-Territorial Customers. As used herein, the term “Extra-Territorial Customers” shall mean those customers served by either Party on the Effective Date of the Agreement who are located within the Territorial Area of the other Party established by such Agreement.

Section 1.8: Temporary Service Customers. As used herein, the term “Temporary Service Customers” shall mean customers who are being served under the temporary service provisions provided in Section 2.3 of this Agreement.

Section 1.9: Commission. As used herein, the term “Commission” shall mean the Florida Public Service Commission.

Section 2.0: Effective Date. As used herein, the term “Effective Date” shall mean the date on which the final Order of the Commission granting approval of this Agreement in its entirety becomes no longer subject to judicial review.

ARTICLE II

RETAIL ELECTRIC SERVICE

Section 2.1: In General. Except as otherwise specifically provided herein, under the terms of this Agreement, TCEC shall have the exclusive authority to furnish retail electric service within the TCEC Territorial Area and DEF shall have the exclusive authority to furnish retail electric service in the DEF Territorial Area. The Territorial Boundary Line shall not be altered or affected by any change that may occur in the corporate limits of any municipality or county through annexation or otherwise unless such change is agreed to in writing by the Parties and approved by the Commission.

Section 2.2: Service to New Customers. The Parties agree that neither of them will knowingly serve or attempt to serve any New Customer whose Point of Use is located within the Territorial Area of the other Party, except as specifically provided in Section 2.3 below.

Section 2.3: Temporary Service. The Parties recognize that in exceptional circumstances, economic constraints or good engineering practices may indicate that a New Customer's Point of Use either cannot or should not be immediately served by the Party in whose Territorial Area such Point of Use is located. In such instances, upon written request by the Party in whose Territorial Area the New Customer's Point of Use is located, the other Party

may, in its sole discretion, agree in writing, to temporarily provide service to such New Customer. Prior to the commencement of temporary service, the Party providing such service shall inform the New Customer of the temporary nature of its service and that the other Party will ultimately serve the New Customer. Such temporary service shall be discontinued upon written notice from the requesting Party of its intent and ability to provide service, which the Parties shall coordinate to minimize any inconvenience to the customer. In conjunction with such discontinuance, the Party providing temporary service hereunder shall be compensated by the requesting Party in accordance with Section 3.4 for its distribution facilities used exclusively to provide such service, which the requesting Party may elect to acquire. The requesting Party shall not be entitled to compensation for any loss of revenues for the period during which such temporary service is provided.

Section 2.4: Referral of Service Request. In the event that a prospective New Customer requests or applies for service from either Party to be provided to a Point of Use located in the Territorial Area of the other Party, the Party receiving the request or application shall advise the prospective New Customer that such service is not permitted under this Agreement and shall refer the prospective New Customer to the other Party.

Section 2.5: Correction of Inadvertent Service Errors. If any situation is discovered during the term of this Agreement in which either Party is inadvertently providing retail electric service to a customer's Point of Use located within the Territorial Area of the other Party, service to such customer by the other Party will be established at the earliest practical time, but in any event within twelve (12) months of the date the inadvertent service error was

discovered. Until service by the other Party can be reasonably established, the inadvertent service will be deemed to be temporary service provided and governed in accordance with Section 2.3 above.

ARTICLE III

TRANSFER OF CUSTOMERS AND FACILITIES

Section 3.1: In General. It is the intent of the Parties that all customers of either Party shall be served by the Party in whose Territorial Area they are located at the earliest practicable time. Accordingly, the Parties intend to complete all transfers of the Extra-Territorial Customers within thirty-six (36) months of the Effective Date of the Agreement, and will notify the Commission in writing if circumstances require additional time.

In accordance with Rule 25-6.0440(1)(d), F.A.C., the affected customers subject to transfer have been sent written notification of this Agreement and the transfer provisions described above. Sample copies of the letters providing such notification are attached as Exhibit E.

In the event that circumstances arise during the term of this Agreement in which the Parties agree that, based on sound economic considerations or good engineering practices, an area located in the Territorial Area of one Party would be better served if reallocated to the service territory of the other Party, the Parties shall jointly petition the Commission for approval of a modification of the Territorial Boundary line that places the area in question (the "Reallocated Area") within the Territorial Area of the other Party and transfer of the customers located in the Reallocated Area to the other Party.

Section 3.2: Transfer of Extra-Territorial Customers. The Extra-Territorial Customers currently served by DEF and subject to transfer to TCEC pursuant to this Agreement are listed by the service address and/or other identifying factor in Exhibit B, attached hereto. The Extra-Territorial Customers currently served by TCEC and subject to transfer to DEF pursuant to this Agreement are listed by the service address and/or other identifying factor in Exhibit C, attached hereto.

Section 3.3: Transfer of Related Service Facilities. In conjunction with the transfer of Extra-Territorial Customers pursuant to Sections 3.1 and 3.2 above, the receiving Party may elect to purchase the electric distribution facilities of the transferring Party used exclusively for providing electric service to the transferred customers for an amount to be determined in accordance with Section 3.4 below.

Section 3.4: Compensation for Transferred Facilities. The receiving Party shall compensate the transferring Party for the electric distribution facilities used exclusively for providing electric service to the transferred customers in an amount based upon the replacement cost (new), less depreciation calculated on a straight-line basis over the life of the asset (facility) as determined from the transferring Party's books and records. The replacement cost shall be determined by applying a cost calculator such as the Handy Whitman index or a common engineering cost estimation methodology to the original cost, as long as both Parties apply the same estimation method.

Section 3.5: Transfer Segment Closings. The Parties shall mutually agree on a closing date for each transfer segment, allowing sufficient time for the Parties to identify the customers and facilities to be transferred; to determine the compensation for transferred customers and facilities; and to prepare the appropriate closing statements, assignments, and other instruments to transfer and convey the transferring Party's interest in the electric distribution facilities to the receiving Party pursuant to Section 3.3 above. At the closing, the receiving Party shall pay the transferring Party the compensation due it, and the transferring Party shall execute and deliver to the receiving Party the assignments and other instruments referred to above.

ARTICLE IV

OPERATION AND MAINTENANCE

Section 4.1: Facilities to Remain. Other than as expressly provided for herein, no generating plant, transmission line, substation, distribution line, or related equipment shall be subject to transfer or removal hereunder; provided, however, that each Party shall operate and maintain its lines and facilities in a manner that minimizes any interference with the operations of the other Party. To facilitate this objective, in the event either Party intends to construct, locate, or relocate its distribution facilities in or directly adjacent to the Territorial Area of the other Party, such Party shall notify the other Party in writing at least thirty (30) days prior to commencement of such intended action.

Section 4.2: TCEC Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of TCEC to serve any TCEC facility

located in the DEF Territorial Area which is used exclusively in connection with TCEC's business as an electric utility; provided, however, that TCEC shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with DEF's operation in the DEF Territorial Area, including notice to DEF pursuant to Section 4.1.

Section 4.3: DEF Facilities to be Served. Nothing herein shall be construed to prevent or in any way inhibit the right and authority of DEF to serve any DEF facility located in the TCEC Territorial Area which is used exclusively in connection with DEF's business as an electric utility; provided, however, that DEF shall construct, operate, and maintain said lines and facilities in such manner as to minimize any interference with TCEC's operation in the TCEC Territorial Area, including notice to TCEC pursuant to Section 4.1.

ARTICLE V

Section 5.1: Commission Approval. The Parties and the provisions and performance of this Agreement are subject to the regulatory authority of the Commission, and appropriate approval by the Commission of the provisions of this Agreement shall be a condition precedent to the validity, enforceability, and applicability hereof. This Agreement shall have no effect whatsoever until Commission approval has been obtained. Any proposed modification to this Agreement, whether proposed jointly or by either Party, shall be submitted to the Commission for consideration and approval prior to becoming effective. In addition, either Party may petition the Commission to resolve any dispute concerning the provisions of this Agreement or the Partys' performance hereunder.

Section 5.2: Liability in the Event of Disapproval. In the event the Commission's approval is not obtained as required by Section 5.1, neither Party will have any claim against the other arising under this Agreement.

Section 5.3: Supersedes Prior Agreements. Upon approval by the Commission, this Agreement shall be deemed to specifically supersede any and all prior agreements between the Parties regarding their respective retail service areas in Jefferson, Madison and Taylor counties.

ARTICLE VI

DURATION

Section 6.1: Term. This Agreement shall continue and remain in effect for a period of thirty (30) years from the Effective Date. After expiration of the twenty (20) year term provided herein, this Agreement shall remain in effect thereafter unless either Party provides written notice of Termination at least 12 months prior to the termination of the agreement as contemplated by Section 8.3.

ARTICLE VII

CONSTRUCTION OF AGREEMENT

Section 7.1: Other Electric Utilities. Nothing in this Agreement shall restrict or affect in any manner the right of either Party to establish its retail service area with respect to any other electric utility. The Parties understand that TCEC or DEF may, from time to time and subject to Commission approval, enter into territorial agreements with other electric utilities that have adjacent or overlapping service areas and that, in such event, nothing herein shall be construed to prevent TCEC or DEF from designating any portion

of its Territorial Area under this Agreement as the service area of such other electric utility.

Section 7.2: Bulk Power for Resale. Nothing herein shall be construed to prevent either Party from providing a bulk power supply for resale purposes, as defined in the Final Judgement dated August 19, 1971 in United States of America v. Florida Power Corporation and Tampa Electric Company, Case No. 68-297-Civ-T regardless of where the purchaser for resale may be located. Further, no other section or provision of this Agreement shall be construed as applying to a bulk power supply for resale purposes.

Section 7.3: Intent and Interpretation. It is hereby declared to be the purpose and intent of the Parties that this Agreement shall be interpreted and construed, among other things, to further this State's policy of actively regulating and supervising the service territories of electric utilities; supervising the planning, development, and maintenance of a coordinated electric power grid throughout Florida; avoiding uneconomic duplication of generation, transmission, and distribution facilities; and encouraging the installation and maintenance of facilities necessary to fulfill the Partys' respective obligations to serve.

ARTICLE VIII

MISCELLANEOUS

Section 8.1: Negotiations. Whatever terms or conditions may have been discussed during the negotiations leading up to the execution of this Agreement, the only terms and conditions agreed upon are those set forth herein, and no alteration, modification, enlargement, or supplement to this Agreement shall be binding upon

Section 8.2: Notices. Notices and other written communications contemplated by this Agreement shall be deemed to have been given if sent by certified mail, postage prepaid, by prepaid private courier as follows:

To Tri-County Electric Cooperative:

E. Dylan Rivers
Ausley McMullen
123 South Calhoun Street
P.O. Box 391
Tallahassee, Florida 32302
Voice: (850) 425-5495
Email: drivers@ausley.com
Attorney for Tri-County Electric Cooperative

To Duke Energy Florida:

Catherine Stempien, State President
Duke Energy Florida, LLC
P.O. Box 14042
St. Petersburg, Florida 33733
Fax: 727-820-5044

Either Party may change its designated representative or address to which such notices or communications shall be sent by giving written notice thereof to the other Party in the manner herein provided.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in triplicate in their respective corporate names and their corporate seals affixed by their duly authorized officers on the day and year first above written.

Either Party may change its designated representative or address to which such notices or communications shall be sent by giving written notice thereof to the other Party in the manner herein provided.

IN WITNESS HEREOF, the Parties have caused this Agreement to be executed in triplicate in their respective corporate names and their corporate seals affixed by their duly authorized officers on the day and year first above written.

TRI-COUNTY ELECTRIC COOPERATIVE, INC.

ATTEST:

By  _____

Secretary

DUKE ENERGY FLORIDA, LLC

ATTEST:

By  _____
Catherine Stempien
Duke Energy Florida State President

/s/ Matthew R. Bernier
Matthew R. Bernier
Associate General Counsel

**Duke Energy Florida, LLC's (DEF) Response to
Florida Public Service Commission's Second Data Request (Nos. 1-3)
re. Joint Petition for Approval of Territorial Agreement in
Jefferson, Madison, and Taylor Counties by Tri-County Electric Cooperative and DEF**

Docket No. 20200217-EU

Please refer to the Territorial Agreement (Attachment A) to the petition for the following questions:

Section 6.1: Term

- 1) The first sentence of this section indicates that the agreement will remain in effect for 30 years, while the next sentence alludes to a 20-year term. Please reconcile the difference.

Response:

The reference to the 20-year term was a typographical error. The Parties have agreed to a 30-year term.

- 2) The last line of Section 6.1 refers to Section 8.3. However, the terms of the agreement concludes at Section 8.2: Notices. Please correct the discrepancy.

Response:

The last line of Section 6.1: Term should reference Section 8.2: Notices.

Section 8.1: Negotiations

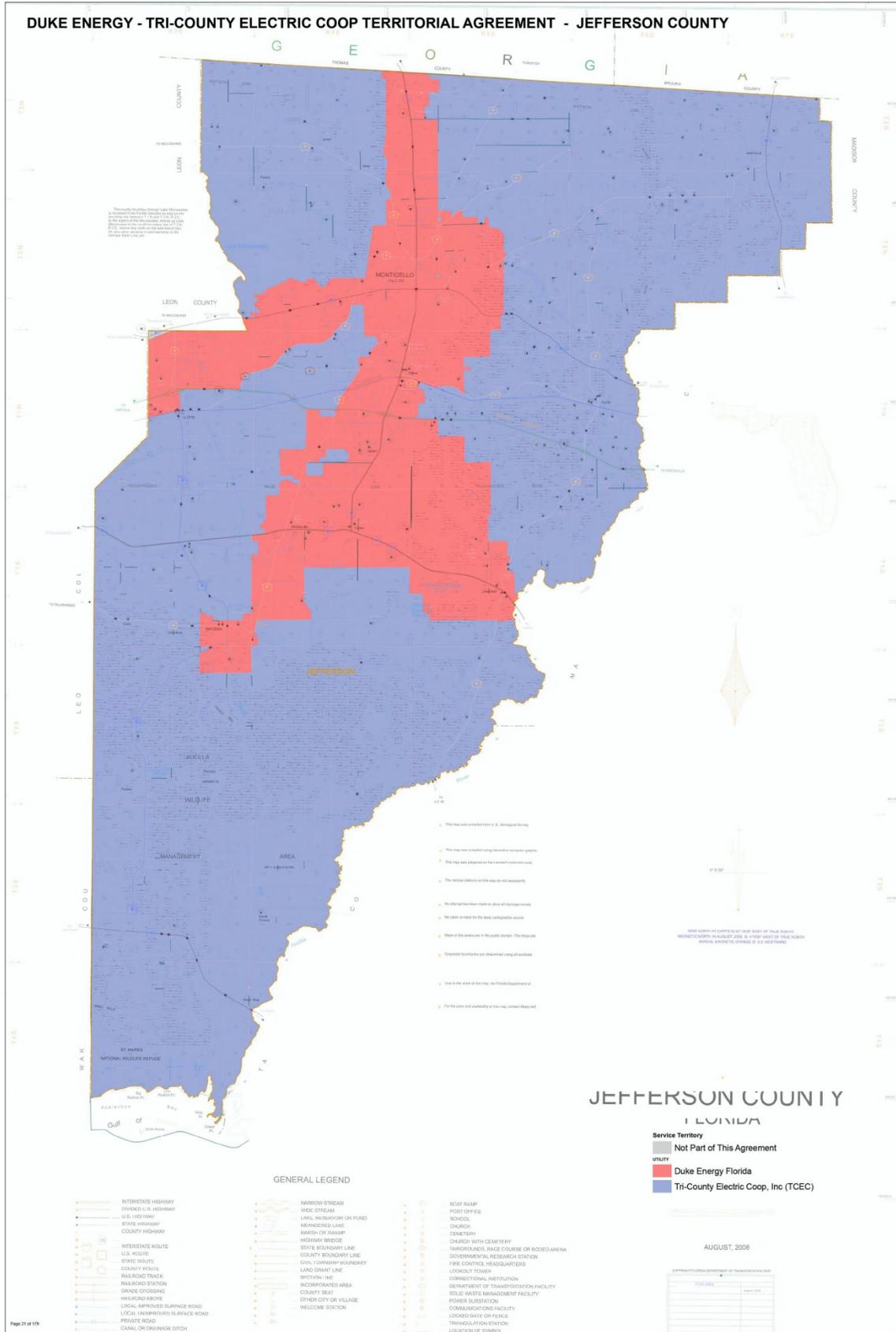
- 3) It appears that the section paragraph is incomplete. Please provide conclusion to Section 8.1.

Response:

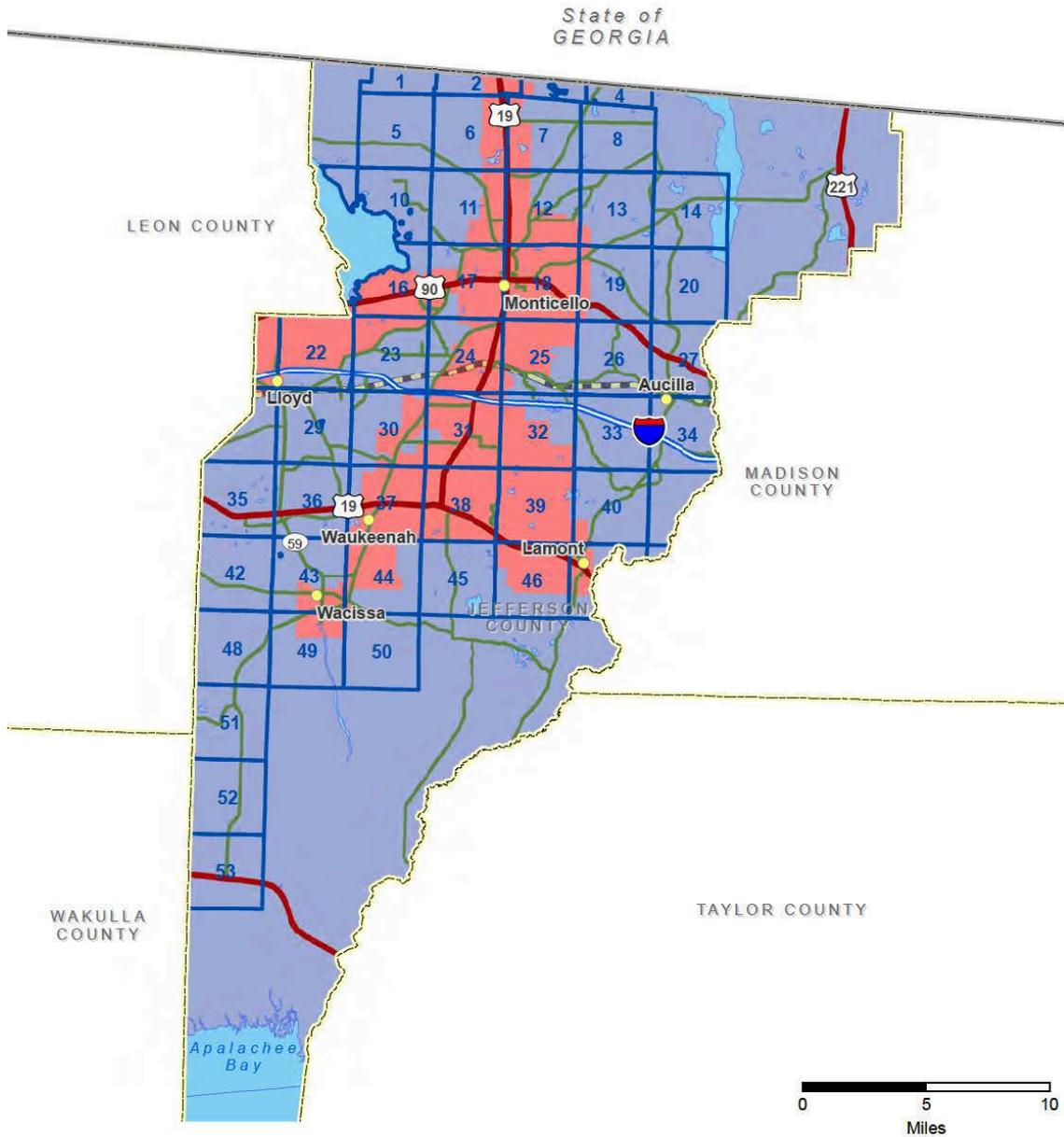
Section 8.1 should state as follows:

Section 8.1: Negotiations. Whatever terms or conditions may have been discussed during the negotiations leading up to the execution of this Agreement, the only terms and conditions agreed upon are those set forth herein, and no alteration, modification, enlargement or supplement to this Agreement shall be binding upon either of the Parties unless agreed to in writing by both Parties, and approved by the Commission.

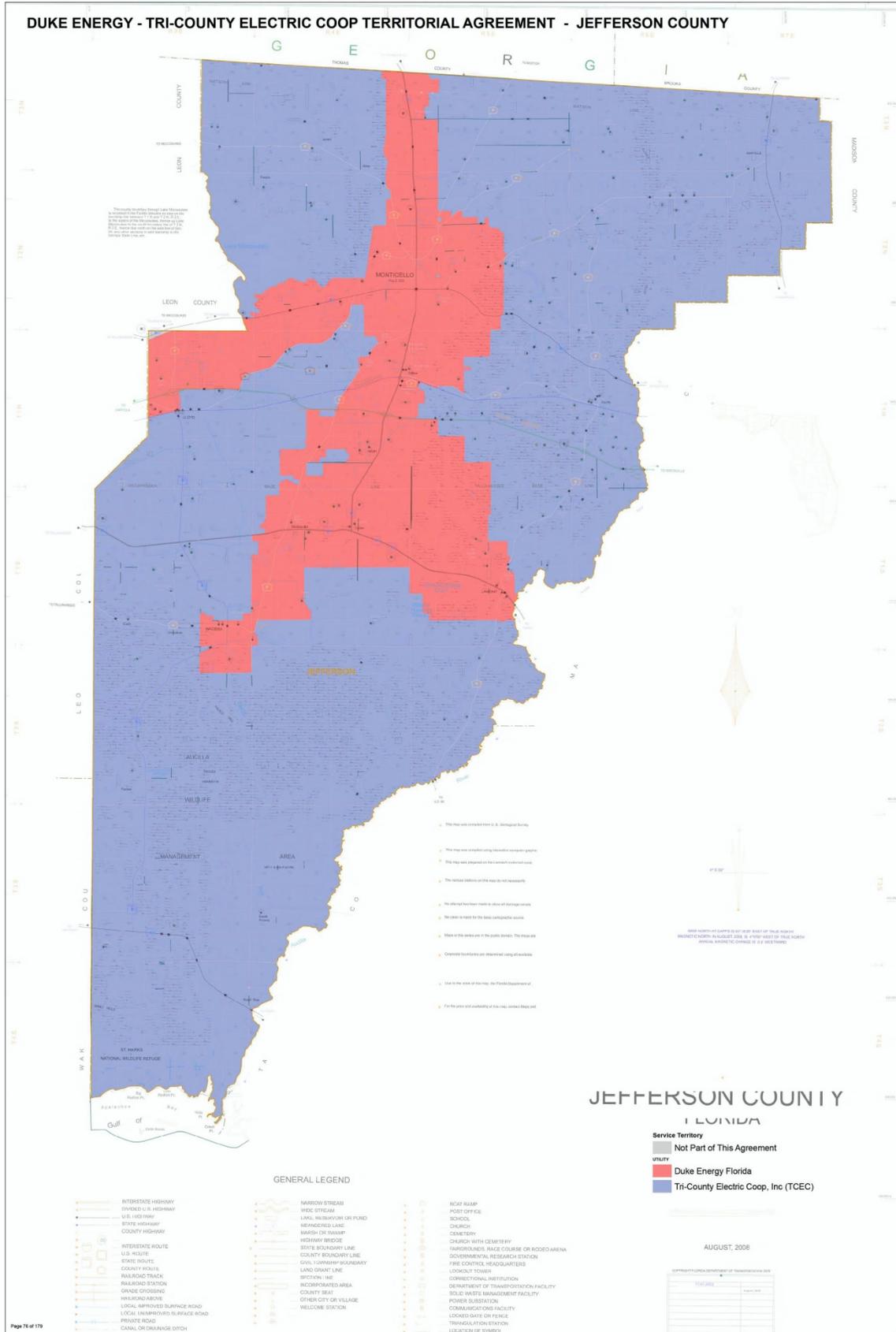
**MAPS DEPICTING THE TERRITORIAL BOUNDARY
LINES AND SERVICE TERRITORIES OF
TRI-COUNTY ELECTRIC COOPERATIVE
&
DUKE ENERGY FLORIDA
IN
JEFFERSON, MADISON AND TAYLOR
COUNTIES**



**DUKE ENERGY - TRI-COUNTY ELECTRIC COOPERATIVE
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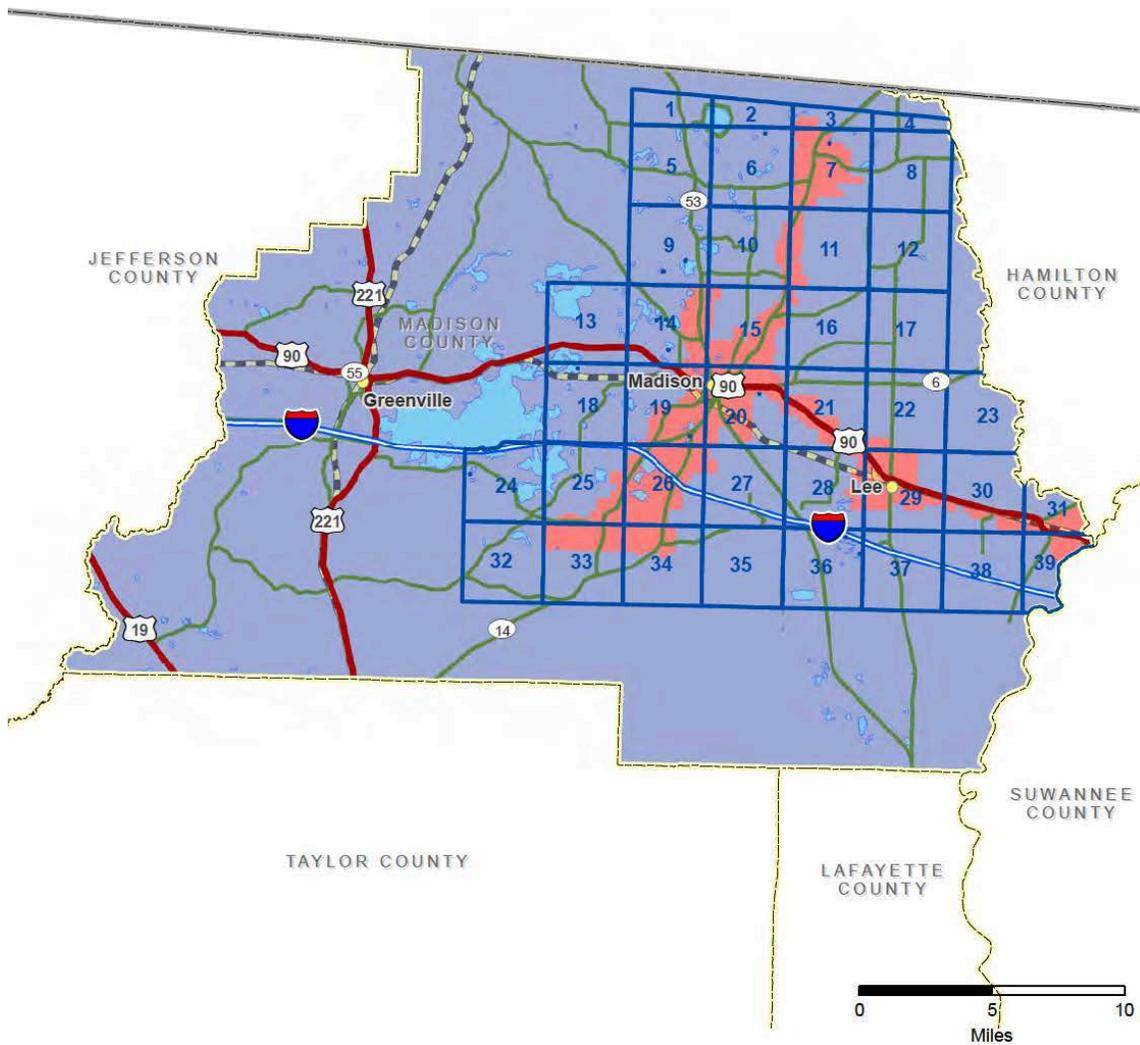
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|--------------------------------------|----------------|--------------------|----------------------|
| Service Territory | Limited Access | Water | County |
| Not Part of This Agreement | Highway | Township and Range | City/Place Boundary |
| Duke Energy Florida | Major Road | Section | City and Place Names |
| Tri-County Electric Coop, Inc (TCEC) | Major Railroad | Parcel | Page |



**DUKE ENERGY - TRI-COUNTY ELECTRIC COOPERATIVE
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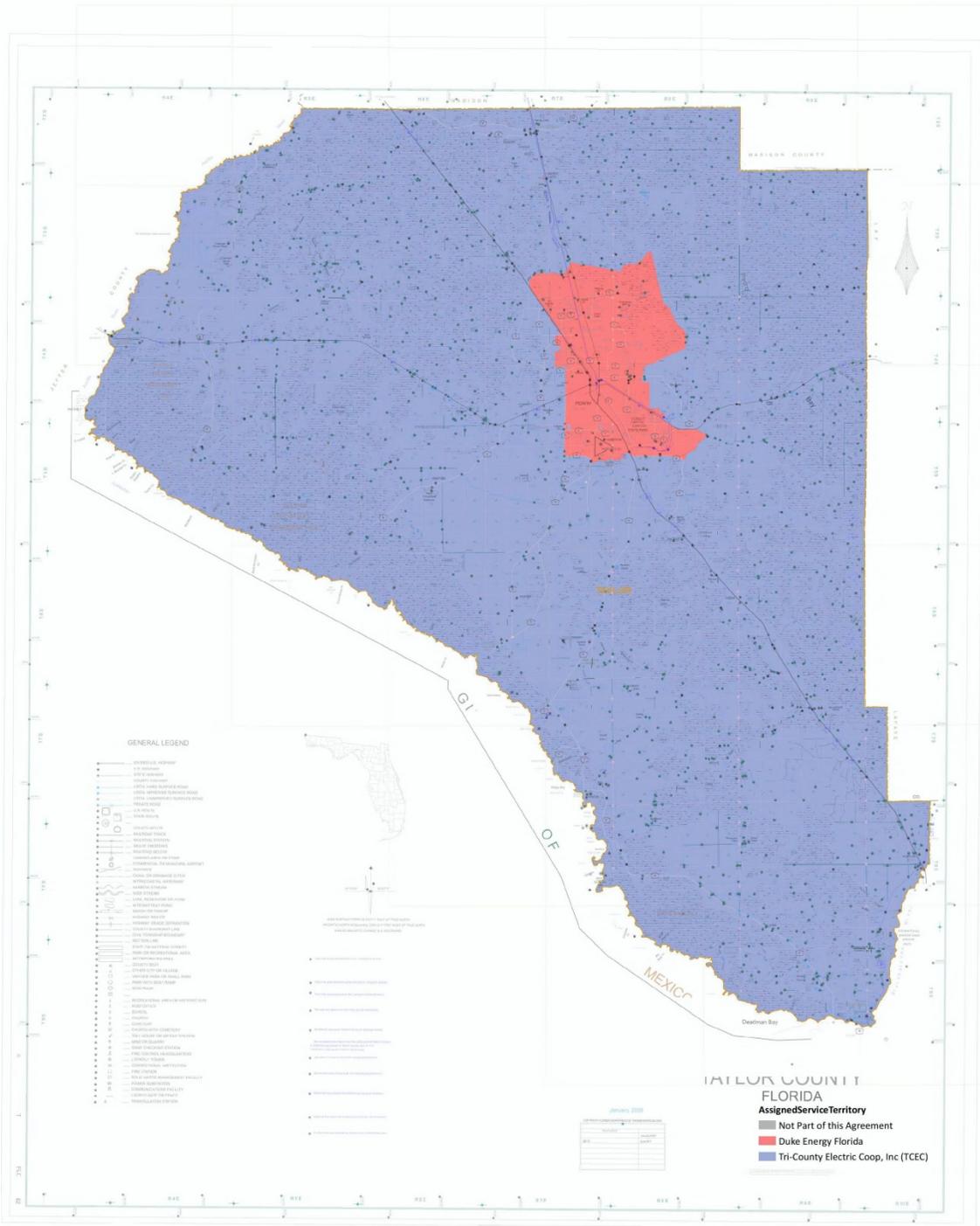


STATE OF
 GEORGIA



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|--------------------------------------|---------------------|--------------------|----------------------|
| Service Territory | Limited Access | Water | County |
| Not Part of This Agreement | Highway | Township and Range | City/Place Boundary |
| Duke Energy Florida | Major Road | Section | City and Place Names |
| Tri-County Electric Coop, Inc (TCEC) | Major Railroad Line | Parcel | Page |

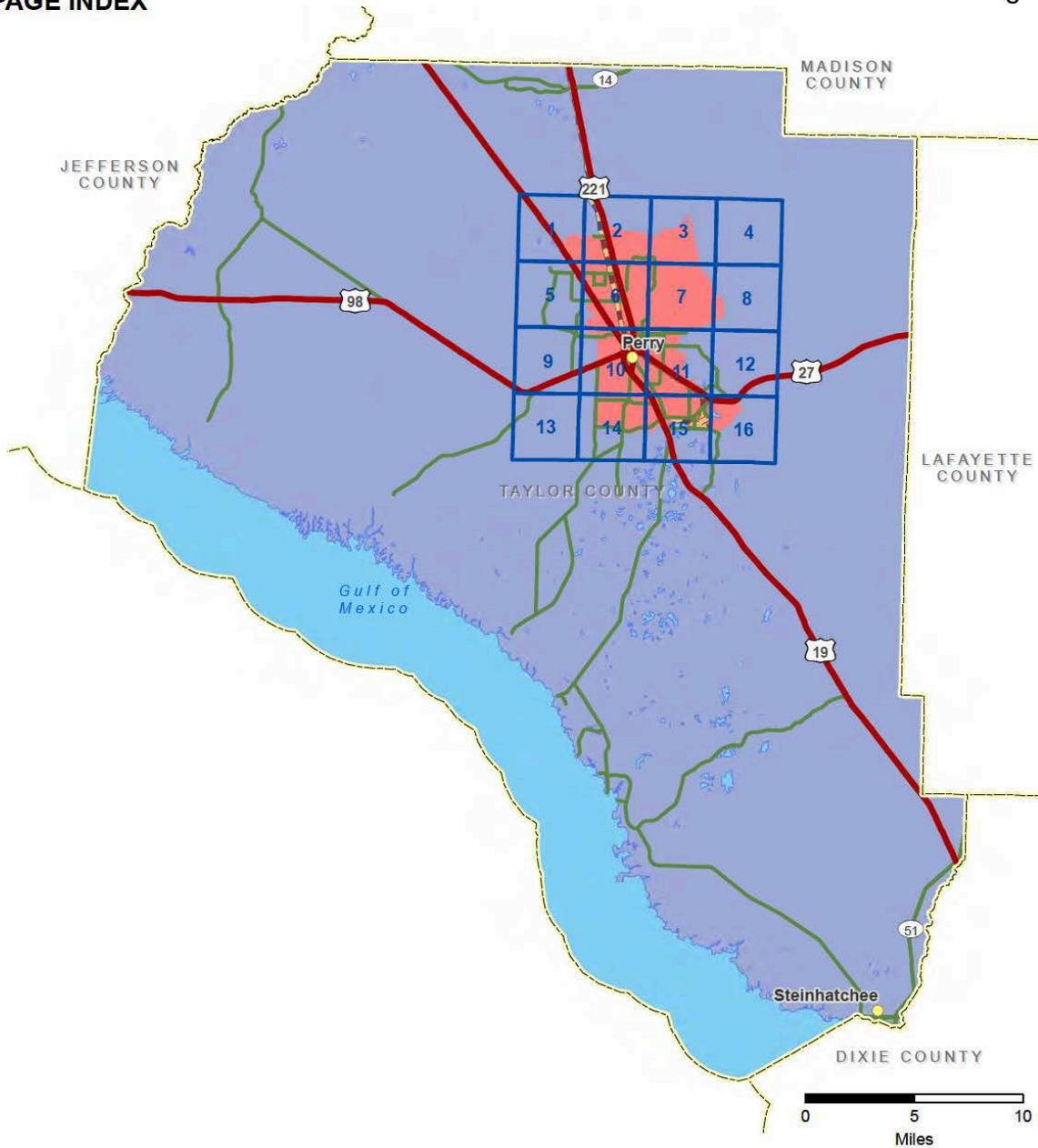
DUKE ENERGY - TRI-COUNTY ELECTRIC COOP TERRITORIAL AGREEMENT - TAYLOR COUNTY



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