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November 24, 1997

ORIGINAL

Blanca Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2549 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Via Hand Delivery

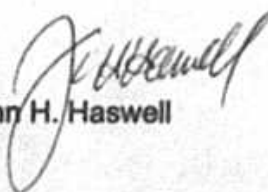
RE: Clay Electric Cooperative, Inc.  
and Florida Power & Light Company  
Docket No. 970512-EU

Dear Ms. Bayo:

I am enclosing herewith the original and fifteen (15) copies of the Post Hearing Brief of Clay Electric Cooperative, Inc., the Post Hearing Statement of Issues and Positions and the Proposed Findings of Fact and Conclusions of Law for filing. Also enclosed is a 3.5 disk containing these documents.

If you have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,

  
John H. Haswell

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMH \_\_\_\_\_ JHH/lez
- CTZ \_\_\_\_\_ Enclosures
- EAG \_\_\_\_\_ cc: Mark Logan, Esquire
- LEG 2 \_\_\_\_\_ Robert Elias
- LIN 2 \_\_\_\_\_ Grace Jaye
- OPC \_\_\_\_\_ Herman Dyal
- RCH \_\_\_\_\_
- SEC 1 \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

*Proposed Findings Post-Hearing Statement Brief*  
DOCUMENT NUMBER-DATE DOCUMENT NUMBER-DATE DOCUMENT NUMBER-DATE  
12055 NOV 24 5 12054 NOV 24 5 12053 NOV 24 5  
FPSC-RECORDS/REPORTING FPSC-RECORDS/REPORTING FPSC-RECORDS/REPORTING

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Petition of Florida Power & Light )  
Company to Resolve a Territorial Dispute with )  
Clay Electric Cooperative in Baker County )  
\_\_\_\_\_ )

Docket No.: 970512-EU

Filed: November 24, 1997

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**CLAY ELECTRIC COOPERATIVE, INC.'S  
PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW**

Clay Electric Cooperative, Inc. ("Clay") herewith submits its proposed findings of fact and conclusions of law:

1. The disputed area is the specific site of the location of the River City Plastics facility in the Baker County Industrial Park.

2. The nature of the disputed area including its population, the type of utilities seeking to serve it, the degree of urbanization of the area, the areas proximity to other urban areas, and the areas present and reasonably foreseeable requirements for the utilities are as follows:

Baker County is primarily an agricultural and conservation area, having the Okefenokee National Wildlife Refuge, the Nature Conservancy and Osceola National Forest comprising over half its land area. The 1997 projected population of Baker County is 20,787 with the incorporated areas of Macclenny and Glen St. Mary populations being 4,201 and 467 respectively. The next largest area would be the area of Sanderson with some 1,200 - 1,500 in population.

Much of the surrounding area is designated as conservation, wild life or refuge management areas, and national forests. There are no unique outstanding or distinguishing geographic features. The area is rural. No one resides on the site that is in dispute.

FPL, an investor-owned utility, has primarily served the central corridor of Baker County, including Sanderson, Glen St. Mary and Macclenny. The Sanderson community, which includes the area surrounding FPL's Wiremill substation is approximately five miles from the city of Glen St. Mary and approximately seven miles from the city of Macclenny. FPL serves approximately 330 accounts in Sanderson, 100 accounts in Glen St. Mary, 2,600 accounts in Macclenny and 3,000 accounts in the surrounding rural area. Clay serves approximately 1,900 customers in Baker County and some along Rhoden Road just east of the disputed area. There are no other utility services seeking to serve the site.

3. Neither utility has historically served the disputed area. Both Clay and Florida Power & Light Company ("FPL") have historically served areas around the disputed area. FPL has provided service to the Sanderson area since 1938, and the Macclenny area since 1926. The Wiremill substation was constructed in 1976, and has served Florida Wire and Cable, the customer immediately adjacent to the Wiremill substation since 1976. Clay has historically served the areas around the disputed area to the north, south and east since 1943.

4. The expected customer load and energy growth in the disputed area is 1.2 percent through the year 2001 without the addition of the River City Plastics load, and twenty percent with the addition of the River City Plastics load. The only expected

customer is River City Plastics with a demand of approximately 1955kw and energy growth of 13.6 million kwh.

5. Unnecessary and uneconomic duplication has not taken place in the vicinity of the disputed area, unless the overbuilding of FPL's Wiremill substation to an excess capacity of 34 megawatts is claimed by FPL as the basis for granting it additional territory, in which event, FPL has unnecessarily and uneconomically duplicated facilities of Clay.

6. If both utilities offered to provide the same service that River City Plastics requires, then both utilities can provide adequate and reliable service.

7. Clay is capable of providing adequate and reliable service to the disputed area by providing the primary overhead service and the dual backup load management generators for dual feed service as the customer requires.

8. Based on FPL's proposal for using dual feed UG/OH service with a throw-over switch, FPL is not capable of providing the adequate and reliable service the customer requires.

9. The location, purpose, type and capacity of each utility's facilities existing as of the filing of the Petition to Resolve the Territorial Dispute is as stipulated in Issue 7.

10. To serve River City Plastics with single feed overhead primary service, FPL will add three substation single phase voltage regulators, an underground pull-off, and overhead facilities at a total cost of \$181,985.00.

*Alternate No. 10:* To serve River City Plastics with single feed overhead primary service, FPL will add three substation single phase voltage regulators, an underground pull-off, and overhead facilities at a total cost of \$105,585.00.

11. To serve River City Plastics with single feed overhead primary service, Clay would add cooling fans to the Sanderson substation transformer and step-up transformers for feeder 3, rebuild .6 miles of single phase line on Rhoden Road to three phase, add .25 miles of three phase along Rhoden Road, add new three phase line along Rhoden Road and up to the plant site road approximately .65 miles at a cost of \$98,000.00.

12. As a previously planned improvement, FPL's costs to re-insulate its two mile tap to the Wiremill substation from its Baldwin-Columbia transmission line is not includable as a cost to serve River City Plastics, even though it will increase the reliability of such service.

13. As a previously planned improvement, Clay's costs to acquire a new recloser for installation north of the tap from feeder 3 out of the Sanderson substation is not includable in its cost to serve River City Plastics, although the relocation costs of that recloser to a point on feeder 3 as part of the planned service to River City Plastics is includable.

14. Clay's cost to provide the type and quality of service that the customer requires, which is overhead primary service with dual feed backup generation is \$98,000.00 for the primary overhead service and \$1,100,000.00 for the purchase and installation of the generators for a total of \$1,198,000.00.

15. If FPL were to provide the dual feed backup service it proposes as Option No. 3 (underground primary with overhead backup and a throw-over switch) its total cost to provide such service is \$294,881.00.

*Alternate No. 15:* If FPL were to provide the dual feed backup service it proposes as Option No. 3 (underground primary with overhead backup and a throw-over switch) its total cost to provide such service is \$205,431.00.

16. Clay is already providing service to the disputed area.

17. It will take FPL at least four weeks to provide service to the disputed area.

18. If Clay is not allowed to serve the disputed area, it will lose the net revenues over the life of its contract with River City Plastics totalling \$2,431,756.00.

19. If FPL is not permitted to serve the disputed area, its loss is \$-0-.

20. If Clay is not allowed to serve the disputed area, Clay will lose \$11,985,089.00 in gross revenues, \$2,431,756.00 in net revenues, loss of opportunities for Clay's members to reap the benefits of load management and therefore lose the ability to reduce the Cooperative's overall demand cost and incur the likelihood of further territorial disputes with FPL in the area.

21. The customer has chosen Clay Electric Cooperative, Inc. as its service provider.

22. There is no territorial agreement governing service to the disputed area between Clay and FPL.

#### *CONCLUSIONS OF LAW*

1. Clay should be awarded service to the disputed area.

2. In an area where the neighboring utilities have never provided historic service, and an industrial customer with specific operating needs requires a particular kind of electric service which one utility offers to provide but the other does not, the utility who

