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July 9, 2002

IN REPLY REFER TO:

Ansley Watson, Jr.
P.O. Box 1531
Tampa, Florida 33601
e-mail: aw@macfar.com

VIA FEDEX

Blanca S. Bayo, Director
Division of Commission Clerk & Administrative Services
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

020670-GU

**Re: Complaint by Tampa Electric Company d/b/a PEOPLES GAS SYSTEM
against Florida Public Utilities Company for violation of territorial
agreement**

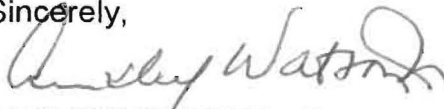
Dear Ms. Bayo:

Enclosed herewith for filing in the above docket on behalf of Peoples Gas System, please find the original and 15 copies of the complaint referenced above, together with a diskette containing the Complaint (excluding the exhibits thereto) in WordPerfect format.

Please acknowledge your receipt and the date of filing of the enclosures, together with the docket number assigned, on the duplicate copy of this letter enclosed for that purpose, and return the same to me in the enclosed preaddressed envelope.

Thank you for your usual assistance.

Sincerely,


ANSLEY WATSON, JR.

AWjr/a
Enclosures

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

07073 JUL 10 2002

FPSC-COMMISSION CLERK

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Blanca S. Bayo, Director
July 9, 2002
Page 2

cc: Ms. Angela Llewellyn
Matthew R. Costa, Esquire

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint by Tampa Electric)
Company d/b/a Peoples Gas)
System against Florida Public)
Utilities Company for violation of)
territorial agreement.)
_____)

Docket No. 020670-GU

Submitted for Filing:
7-10-02

**COMPLAINT OF PEOPLES GAS SYSTEM
FOR ENFORCEMENT OF TERRITORIAL AGREEMENT**

Tampa Electric Company, d/b/a Peoples Gas System (successor by merger to Peoples gas System, Inc.), ("PGS" or the "Company") files its Complaint against Florida Public Utilities Company ("FPUC") for enforcement of the territorial agreement between PGS and FPUC approved by the Commission's Order No. PSC-96-0751-FOF-GU, and as grounds therefor, states:

1. The name and mailing address of the Complainant are:

Tampa Electric Company
d/b/a Peoples Gas System
702 N. Franklin Street
Tampa, Florida 33602

2. The names and addresses of the persons authorized to receive notices and communications with respect to this Complaint are:

Ansley Watson, Jr., Esquire
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

Matthew R. Costa, Esquire
Legal Department
TECO Energy, Inc.
P. O. Box 111
Tampa, Florida 33601-0111

and

Ms. Angela Llewellyn
Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

3. PGS and FPUC are public utilities subject to the jurisdiction of the Commission under Chapter 366, *Florida Statutes*. FPUC's mailing address is P. O. Box 3395, West Palm Beach, Florida 33402-3395.

4. In 1996, FPUC and PGS entered into a territorial agreement (the "1996 Agreement") defining their respective service areas. A copy of the 1996 Agreement is attached hereto as Exhibit 1. The 1996 Agreement was approved by the Commission's Order No. PSC-96-0751-FOF-GU, issued on June 10, 1996 in Docket No. 960363-GU. The 1996 Agreement modified, and superseded in certain respects, the prior territorial agreement between FPUC and Palm Beach County Utilities Corporation (the "1991 Agreement") approved by the Commission's Order No. 24260, issued on March 20, 1991 in Docket No. 900700-GU. PGS acquired the natural gas distribution assets of Palm Beach County Utilities Corporation on April 30, 1991. Because certain portions of the 1991 Agreement were not changed by the 1996 Agreement, a copy of the 1991 Agreement is attached hereto as Exhibit 2.

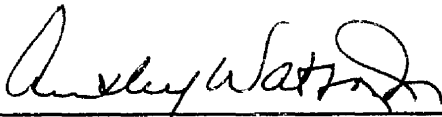
5. FPUC is in the process of constructing natural gas distribution facilities to the north of the boundary line separating the service areas of PGS and FPUC, and within the area reserved to PGS in the 1996 Agreement, for the purpose of providing natural gas service to customers within the area reserved to PGS by said Agreement.

6. The actions of FPUC described in Paragraph 5 above constitute a breach and violation of the provisions of the 1996 Agreement approved by the Commission's Order No. PSC-96-0751-FOF-GU.

WHEREFORE, PGS respectfully requests that the Commission enter its order directing FPUC to cease and desist the extension of its natural gas distribution facilities to the north of the boundary line described in the 1996 Agreement, and granting such other and further relief to PGS as it deems appropriate.

CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that a true and correct copy of the foregoing Complaint, filed on behalf of Tampa Electric Company, d/b/a Peoples Gas System, has been furnished by U.S. Mail this 9th day of July, 2002, to Florida Public Utilities Company, Post Office Box 3395, West Palm Beach, Florida 33402-3395.



ANSLEY WATSON, JR.
Macfarlane Ferguson & McMullen
Post Office Box 1531
Tampa, Florida 33601-1531
(813) 273-4321

and

MATTHEW R. COSTA
Legal Department
TECO Energy, Inc.
P. O. Box 111
Tampa, Florida 33601-0111
(813) 228-4938

Attorneys for Peoples Gas System

EXHIBIT 1

ADDENDUM TO TERRITORIAL AGREEMENT

On February 8, 1991, a territorial agreement, as approved by the Florida Public Service Commission (FPSC), between Florida Public Utilities Company (FPUC) and Palm Beach County Utilities Company (PBCUC) became effective. Subsequent to the effective date, PBCUC was purchased by Peoples Gas System, Inc. (PGS). A condition of the agreement requires the agreement to be submitted to and reviewed by the FPSC every five years. Florida Public Utilities Company and Peoples Gas System, Inc. both agree that upon the initial 5-year review, the following changes were made to and became a part of the original agreement.

1. All references to Palm Beach County Utilities Company (PBCUC) be deleted and replaced with Peoples Gas System, Inc.

2. The boundary line separating the service areas as described and defined in attached Exhibit "A" which was incorporated into the agreement is hereby superseded by a boundary line described and defined in the attached "Exhibit B", which is hereby incorporated into the agreement.

3. All other terms conditions, requirements and covenants contained in the original agreement shall remain in full force and effect. This addendum shall become effective upon date of first approval by the Florida Public Service Commission and remain in effect until modified, changed or canceled by future action of said commission.

Accepted for: Florida Public Utilities Company

By: _____

Signature

Print or Type

Title: _____

Date: _____

Accepted for: Peoples Gas System, Inc.

By: _____

Signature

Print or Type

Title: _____

Date: _____

P. 013/013

(FAX) 305 344 3114

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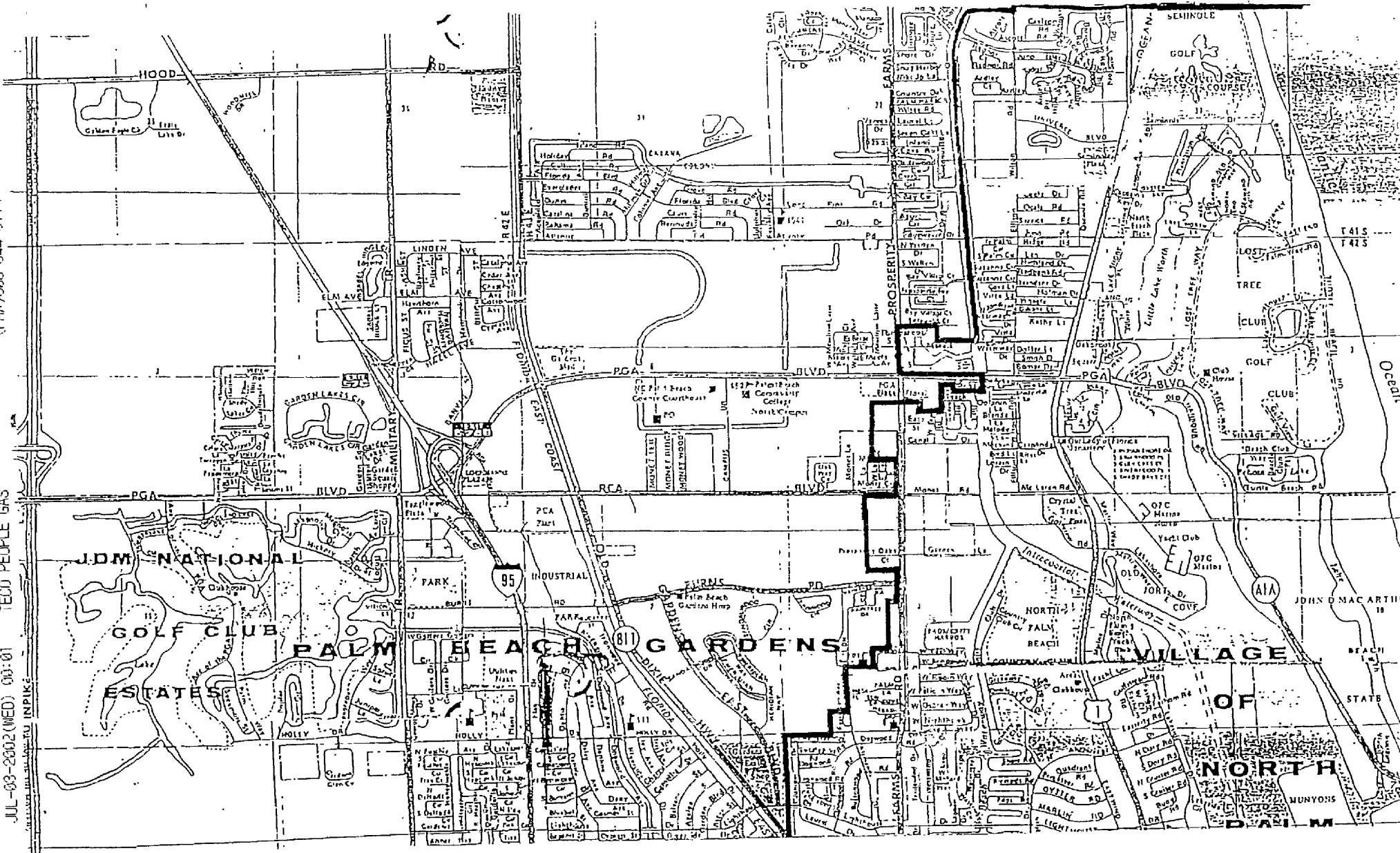


EXHIBIT "B"

Beginning at a western point where the centerline of Northlake Boulevard (Lake Park Road West) and The Beeline Highway intersect the said boundary shall run generally in a southeasterly direction along the centerline of The Beeline Highway to a point of intersection with the South Section line of Section 23 of Township 42 South, Range 42 East, thence east along South Section line of Sections 23 and 24 of Township 42 South, Range 42 East and Sections 19 and 20 of Township 42 South, Range 43 East to the point of intersection with the centerline of the Florida East Coast Railroad track line thence generally northward along the RR centerline to a point of intersection with the centerline of Northlake Boulevard thence east along centerline of Northlake Boulevard to a point of intersection with the centerline of Old Dixie Highway thence generally northward along centerline of Old Dixie Highway to boundary line separating the Town of Palm Beach Gardens and The Village of North Palm Beach thence generally north along the boundary for the Town of Palm Beach Gardens to a point of intersection with south right-of-way line for RCA Boulevard thence east along said right-of-way to the point of intersection with the west right-of-way line of Prosperity Farms Road thence North along said right-of-way line a distance of 720 feet thence West a distance of 500 feet thence north a distance of 1400 feet thence east a distance of approximately 600 feet to the point of intersection with the municipal boundary of The Town of Palm Beach Gardens thence generally eastward along said boundary to the point of intersection with the centerline of the Intracoastal Waterway thence north along ICW centerline to the point of intersection with the centerline of PGA Boulevard thence west along centerline of PGA Boulevard to the west right-of-way line of Prosperity Farms Road thence north along the west right-of-way line to the municipal boundary line of the Town of Palm Beach Gardens then east along boundary line (South of Idlewild Court) to the centerline of the Intracoastal Waterway thence north along centerline of ICW to a point 100 feet south of the north boundary line of Section 32 Township 41 South Range 43 East, thence east along a line parallel to and 100 feet south of said north boundary line to a point of intersection with the east boundary line of Section 32 Township 41 South Range 43 East thence north along said boundary line to the point of intersection with the north boundary lines of Section 32 Township 41 South, Range 43 East and Section 33, Township 41 South, Range 43 East, thence east along north boundary of Section 33, Township 41 South, Range 43 east to the Atlantic Ocean.

TERRITORIAL AGREEMENT

THIS TERRITORIAL AGREEMENT is entered into between FLORIDA PUBLIC UTILITIES COMPANY (FPUC) and PALM BEACH COUNTY UTILITIES CORPORATION (PBCUC) and shall be effective upon approval of the Florida Public Service Commission (FPSC).

WHEREAS, FPUC and PBCUC are both natural gas distribution companies authorized by the FPSC to serve customers in Northeastern Palm Beach County and

WHEREAS, FPUC and PBCUC have gas distribution systems adjacent to each other along reasonably defined boundaries which serve to separate their service areas with the exception of one area, at which area the systems actually cross each other, and

WHEREAS, the FPSC has entered an Order in Docket No. 900700-GU and has scheduled a hearing to resolve the dispute between FPUC and PBCUC regarding which entity has the right to serve a certain area in Palm Beach County, which each has proposed to serve, and

WHEREAS, the unnecessary duplication of facilities (1) results in the wasteful expenditure of capital which is contrary to FPSC policies and is not in the best interest of the customers, and (2) would compromise the integrity of the systems and thus, public safety;

NOW THEREFORE, for and in consideration of the mutual covenants set forth herein, the parties agree as follows:

1. FPUC and PBCUC service areas will be separated by the boundary line described and defined on Attached Exhibit "A" which is hereby incorporated into this Agreement.
2. That except for those existing in the vicinity of Prosperity Farms Road and PGA Boulevard, both companies will refrain from installing distribution mains or services which will cross and duplicate other facilities or which would intrude into the other Company's service area.
3. They will not solicit potential or existing Natural Gas Customers within the other Company's service area.
4. Should a customer of one Company request service from the other Company, and that customer qualifies for service according to the terms and conditions of the Florida Public Service Commission's Rules and Regulations, the Company will not provide service to that customer unless ordered to do so by the FPSC or by a Court of Law.

5. This Agreement will become void and unenforceable should the FPSC's Jurisdiction in Service Territorial matters be ruled invalid by a Court of final appellate jurisdiction.

6. Should either Company become a defendant in a legal action as a result of this Agreement, the other Company will participate in that suit and shall be liable to the defendant Company for fifty (50) percent of legal and other costs incurred by defendant Company as a result of the suit, less the other Company's cost of participation; provided, however, that the defendant Company shall provide the other Company with notice of said legal action within a reasonable time, but no later than thirty (30) days following its written receipt of notice of said legal action.

7. Should a project to be provided with gas service be located in such a manner that it would straddle, or be divided by this boundary line, the Company with the initial contract to provide service to the project shall service the entire project and the boundary line shall be modified to include the entire area of the project within the service area of that Company.

8. This Agreement and boundary line set forth herein may be modified only upon prior review and approval of the FPSC.

9. This Agreement shall be executed by FPUC and PBCUC and submitted to the FPSC for approval and shall become effective on the date that approval is received, and shall remain in effect until modified or vacated by the FPSC.

10. This Agreement shall be submitted to and reviewed by the FPSC every five (5) years.

11. The fact of any party's participation in this Agreement shall not be considered to be an admission of any liability, and the parties entering into this Agreement specifically deny any liability and are participating solely to resolve a dispute without litigation pursuant to applicable FPSC policy.

12. The parties to this Agreement undertake the obligations stated herein solely for the purpose of adhering to state policy favoring territorial agreements between public utilities. This Agreement is governed by Section 366.04(3), Florida Statutes (1989), that expressly confers authority on the FPSC to approve territorial agreements between natural gas utilities. Upon approval by the FPSC, the Agreement will merge

into and become part of the FPSC order that approved it. The Agreement thereafter will have no existence or effect apart from the FPSC order. The FPSC has the exclusive authority and regulatory responsibility to interpret, modify, or terminate the Agreement. Public Service Commission V. Fuller, 551 So.2d 1210 (Fla. 1989).

IN WITNESS WHEREOF, Florida Public Utilities Company and Palm Beach County Utilities Corporation have hereunto affixed their respective hands and seals.

ACCEPTED

FLORIDA PUBLIC UTILITIES COMPANY

BY [Signature]

TITLE President

DATE 2-8-91

ACCEPTED

PALM BEACH COUNTY UTILITIES CORPORATION

BY [Signature]

TITLE Executive Vice President

DATE 2-8-91

EXHIBIT "A"

Beginning at a Western point where the centerlines of Northlake Boulevard (Lake Park Road West) and The Beeline Highway intersect the said boundry shall run generally in a Southeasterly direction along the centerline of the Beeline Highway to a point of intersection with the South section line of Section 23 of Township 42 South, Range 42 East, thence east along South section line of Sections 23 and 24 of Township 42 South, Range 42 east and Sections 19 and 20 of Township 42 South, Range 43 east to the point of intersection with the centerline of the Florida East Coast Railroad track line thence generally Northward along the RR centerline to a point of intersection with the centerline of Northlake Boulevard thence East along centerline of Northlake Boulevard to a point of intersection with the centerline of Old Dixie Highway thence generally Northward along centerline of Old Dixie Highway to boundary line separating the Town of Palm Beach Gardens and The Village of North Palm Beach thence generally North along the boundary for the Town of Palm Beach Gardens to a point of intersection with South right-of-way line for RCA Boulevard thence East along said right-of-way to the point of intersection with the West right-of-way line of Prosperity Farms Road thence North along said right-of-way line a distance of 720 feet thence West a distance of 500 feet thence North a distance of 1400 feet thence East a distance of approximately 600 feet to the point of intersection with the Municipal boundary of the Town of Palm Beach Gardens thence generally Eastward along said boundary to the point of intersection with the centerline of the Intracoastal Waterway thence North along ICW centerline to the point of intersection with the centerline of PGA Boulevard thence West along centerline of PGA Boulevard to the West right-of-way line of Prosperity Farms Road thence North along the West right-of-way line to the Municipal boundary line of the Town of Palm Beach Gardens then East along boundary line (South of Idlewild Court) to the centerline of the Intracoastal Waterway thence North along centerline of ICW to a point where the westerly projection of the South Municipal boundary of the Town of Juno Beach North of Pleasant Drive would intersect thence East on said projection to the boundary line and thence East and North along the Municipal Limits of the Town of Juno to the Atlantic Ocean.

AB
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