

Eric Fryson

From: Sondra Randon [sondra.randon@gmail.com]
Sent: Wednesday, October 31, 2012 7:34 PM
To: Filings@psc.state.fl.us
Cc: Martha Brown; Scott Walker; dottalk@hotmail.com; keith.ashby@ci.newberry.fl.us; remmons@cfec.com; Blaine Suggs; fred.bryant@fmpa.com; Eric Fryson
Subject: Docket:120237-EU- Joint Response to Staff's First Data Request (Resubmission)
Attachments: Response to PSC 10-31-12.pdf

A. Joint Filing by:

City of Newberry

Central Florida Electric Cooperative, Inc.

S. Scott Walker, Esq., City Attorney

Gregory V. Beauchamp, Esq., General Counsel

Sondra Randon, Esq., City Attorney

P.O. Box 9

527 East University Ave.

Chiefland, FL 32644

Gainesville, FL 32601

(352) 493-1458

(352) 372-1282

dottalk@hotmail.com

sondra@foldsandwalker.com

B. Docket Number: 12-237-EU

C. Document filed on behalf of the City of Newberry and Central Florida Electric Cooperative, Inc.

D. The "Response to PSC" has 55 pages.

E. The attached "Response to PSC" contains the City of Newberry and Central Florida Electric Cooperative, Inc.'s joint response to the Staff's First Data Request on October 16, 2012. Said document contains a letter and supplemental documents in response to said Data Request, including a detailed map in its original electronic version for the Staff and Commission to review electronically.

Thanks,

Sondra

Sondra Randon, Esq.

DOCUMENT NUMBER-DATE

07404 NOV-1 2

FPSC-COMMISSION CLERK

11/1/2012

Folds & Walker, LLC

527 East University Avenue

Gainesville, Florida 32601

(352)372-1282 phone

(352)375-9960 facsimile

www.foldsandwalker.com

PRIVILEGE AND CONFIDENTIALITY NOTICE: This e-mail is covered by the Electronic Communications Privacy Act, 18 U.S.C. 2510-2521 and is legally privileged. The contents of this e-mail message and any attachments are intended solely for the party or parties addressed and named in this message. This communication and all attachments, if any, are intended to be and to remain confidential, and it may be subject to the applicable attorney - client and or work product privileges. If you are not the intended recipient of this message, or if this message has been addressed to you in error, please immediately alert the sender by reply e-mail and then delete this message and its attachments. Do not deliver, distribute, or copy this message and or any attachments if you are not the intended recipient. Do not disclose the contents or take any action in reliance upon the information contained in this communication or any attachments. Although this E-mail and any attachments are believed to be free of any virus or other defect that might affect any computer system into which it is received and opened, it is the responsibility of the recipient to ensure that it is virus free and no responsibility is accepted by Folds & Walker, LLC., for damage arising in any way from its use.

ALLISON E. FOLDS†
S. SCOTT WALKER

FOLDS & WALKER, LLC
ATTORNEYS AT LAW

L. ALISON WALKER
TOSHA D. FERNANDEZ
NORMAN BLEDSOE
SONDRA RANDON

527 EAST UNIVERSITY AVENUE
GAINESVILLE, FL 32601

TELEPHONE (352) 372-1282
FAX (352) 375-9960

† Certified Family & Circuit
Civil Mediator

October 31, 2012

Martha Brown, Senior Attorney
State of Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: 120237-EU- Joint petition for approval of territorial agreement in Alachua County by Central Florida Electric Cooperative, Inc., and City of Newberry, a Florida municipal corporation- Joint Response to Staff's First Data Request

Dear Ms. Brown:

We are in receipt of your correspondence dated October 16, 2012. Please find the City of Newberry's and Central Florida Electric Cooperative, Inc.'s joint response to Staff's First Data Request below.

1. *Provide a copy of the previous territorial agreement that was executed on or about 3/26/12.*

Attached please find a copy of the Territorial Agreement executed on March 26, 2012. Also, please find the marked-up version of the March 26, 2012 Territorial Agreement for your ease of reference to the revisions. Although there were no substantive revisions to the March 26, 2012 Territorial Agreement and Proposed Joint Petition, the City Attorney for the City of Newberry advised the City of Newberry Commission to review and approve the Amended Territorial Agreement at the City of Newberry Commission Meeting held on May 14, 2012.

2. *Provide a detailed map(s) that clearly outline the modifications to the parties' existing service territories proposed in the Territorial Agreement.*

Attached please find a detailed map outlining the modifications to the parties' existing service territories proposed in the Territorial Agreement.

3. *Provide a legal description of the territorial boundary to be established by the proposed Territorial Agreement.*

Attached please find the legal description of the territorial boundary to be established by the proposed Territorial Agreement.

4. *In paragraph 3 of the petition it states that the modifications to the territorial boundary line will provide the parties further operational efficiencies and customer service improvements. Please explain what efficiencies and improvements will be achieved.*

The modifications to the territorial boundaries will prevent duplication of capital expenditures within the proposed area of transfer. Nations Park is a newly constructed youth baseball stadium owned by the City of Newberry ("Newberry") and located in the south side of the city limits of Newberry and indicated on the map attached hereto. In order to provide electricity to the site, either Newberry or Central Florida Electric Cooperative, Inc. ("CFEC") would have been required to install a Three-Phase line to serve the park. Since Newberry has a right to serve its own facilities and the cost for Newberry to extend the Three-Phase was estimated to be less than CFEC to extend service, CFEC agreed that Newberry should install the Three-Phase line and provide service to Nations Park.

Further, Newberry and CFEC have been serving customers in the city limits without a territorial agreement since approximately 1995, when Newberry entered into a Territorial Agreement with Florida Power Corporation and began serving some of FPC's former customers. The proposed Territorial Agreement, if approved by the Florida Public Service Commission, will clearly define the territory boundary of each party so to allow Newberry and CFEC to improve and expand their own territories without the threat of territorial disputes arising in the future.

The modifications to the territorial boundaries will increase operational efficiencies by shortening the response time for after-hour emergencies, repairs and maintenance since Newberry's service area is approximately two and half (2.5) square miles and its maintenance yard is only two (2) miles from any point in its distribution system.

In addition to the shortened response time for after-hour emergencies and repairs, the modifications to the territorial boundaries will improve customer service for the proposed transferred customers due to the proximity and availability of Newberry services to their residences, without an increase in utility rates. Although 15 of the 18 proposed transferred customer accounts reside outside of the city limits of Newberry, each customer has the right to attend and participate at any and all City Commission Meetings to address any issues or concerns with Newberry's electric utility. For reference, the

City's utility office and City Hall are within one (1) mile from the proposed transferred customers' residences.

5. *Please state whether the current boundary between the two parties coincides with the city limits of Newberry.*

The current boundary between the City and CFEC does not coincide with the city limits of Newberry.

6. *Please state, as a result of the proposed territorial agreement, whether there are any areas within the city limits of Newberry served by CFEC.*

As a result of the proposed territorial agreement, CFEC will continue to serve areas within the city limits of Newberry.

7. *Please state, as a result of the proposed territorial agreement, whether there are any areas outside its city limits that are served by Newberry.*

Newberry has served customers outside of its city limits for years. As a result of the proposed territorial agreement, Newberry will now serve former CFEC customers who are outside of the city limits as well.

8. *Please state whether the service locations to be transferred from CFEC to Newberry are within the city limits of Newberry.*

With respect to the eighteen (18) service locations to be transferred from CFEC to Newberry, three (3) are within the city limits of Newberry and fifteen (15) are not within the city limits of Newberry.

9. *Please refer to the first sentence in Section 3.3(b) of the Territorial Agreement. Should this sentence read "In addition to any compensation due in Section (a), the CITY will pay the COOPERATIVE at the time..."?*

Section 3.3(b) should read "In addition to any compensation due to Section (a), the City will pay the COOPERATIVE at the time. . ."

10. *Please provide copies of any comments received from customers in response to the notification letters sent regarding the territorial agreement.*

No comments were received from customers in response to the notification letters sent regarding the territorial agreement.

11. *The sample notification letter (Attachment 2) notes that Newberry will not request a deposit if the customer is not required to have a deposit with CFEC. If the customer is required to have a deposit with CFEC, will the amount of the deposit collected by Newberry be the same?*

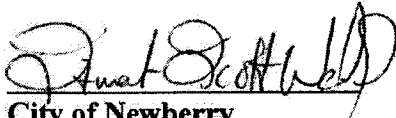
If the customer is required to have a deposit with CFEC, the amount of the deposit collected by Newberry will not exceed the deposit amount imposed by CFEC.

12. *Please list all other electric utilities that serve in Alachua County and state whether petitioners have contacted them to advise them of the proposed territorial agreement.*

Gainesville Regional Utilities, Clay Electric, City of Alachua, CFEC, Newberry, and Progress Energy all serve in Alachua County. Attached please find a copy of the correspondence sent to Clay Electric (the only other utility currently serving in Newberry) on October 29, 2012, advising its General Manager of the proposed Territorial Agreement.

Please do not hesitate to contact the undersigned if you need further information or documents with respect to the referenced joint petition.

Sincerely,



City of Newberry
S. Scott Walker, Esquire
Sondra Randon, Esquire
527 East University Ave.
Gainesville, FL 32601
(352) 372-1282



Central Florida Electric Cooperative, Inc.
Gregory V. Beauchamp, Esquire
P.O. Box 9
Chiefland, FL 32644
(352) 493-1458

**RESPONSE TO REQUEST
NUMBER 1**

*Territorial Agreement executed on
March 26, 2012*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of Central Florida
Electric Cooperative and City of
Newberry for approval of an
Territorial agreement in
Alachua County.

Docket No. _____

Submitted for filing:
XXXX XX, XXXX

JOINT PETITION

Joint Petitioners, Central Florida Electric Cooperative, Inc., ("Central Florida") and City of Newberry pursuant to Section 366.04(2)(d), Florida Statutes, and Rule 25-6.0440, Florida Administrative Code, hereby jointly petition the Florida Public Service Commission (the "Commission") for approval of a territorial agreement between the Parties in Alachua County, Florida. In support hereof, Joint Petitioners state as follows:

1. All notices and pleadings in this matter should be served on the following:

For Central Florida:

General Manager,
Central Florida Electric Cooperative, Inc.
P O Box 9
Chiefland, Florida 32644
Facsimile 352-493-4499

For City of Newberry:

City Manager,
City of Newberry
25439 W Newberry Rd (32669)
P O Box 369 (32669)
Newberry, Florida
Facsimile 352-472-1799

2. Joint Petitioners are electric utilities as defined in Section 366.02(2), Florida Statutes, and are subject to jurisdiction of the Commission with respect to territorial agreements and territorial disputes pursuant to Section 366.04(2)(d) and (e), Florida Statutes. Central Florida's principal offices are located at 1124 N. Young Boulevard, Chiefland, Florida 32644.

City of Newberry's principal offices are located at 25439 W Newberry Rd, Newberry, Florida 32669.

3. This Territorial Agreement ("Agreement") will remain for fifteen (15) years from the date of approval by the Commission and is appended hereto as Attachment 1. The respective service territories of the Parties are largely the same, with the exception of several modifications to the territorial boundary line intended to provide the Parties further operational efficiencies and customer service improvements in their respective service territories. In addition to the detailed maps included as Exhibit "A" to the Agreement, official General Highway County maps for Alachua County depicting the Territorial Boundary Line are appended hereto as Attachment 2.

4. The Agreement provides for the transfer of all Extra-Territorial Customers to the Party in whose service territory such customers are located. The Parties expect that all such transfers and related service facilities will be completed within 12 months of the Commission's order approving the Agreement. The Parties are agreeable to submitting annual reports on the status of these customer and related facilities transfers if that is the Commission's desire, and will provide the Commission advance notification if extenuating circumstances require additional time to complete the transfers. The names and service addresses of the Extra-Territorial Customers subject to transfer are listed in Exhibit "C" to the Agreement, which includes eighteen (18) customers to be transferred from Central Florida to City of Newberry and 0 customers to be transferred from City of Newberry to Central Florida.

5. Prior to the filing of this Joint Petition, all Extra-Territorial Customers subject to transfer have been sent written notification of the Agreement between Central Florida and City of Newberry, the transfer provisions described above, the necessity of Commission approval, and their opportunity to be heard in this regard. A sample copy of the letter providing such

notification to the affected Extra-Territorial Customers is appended hereto as Attachment 3. As of the time of filing, no responses to the notification letter have been received. A summary of the responses ultimately received, if any, will be provided by supplemental filing.

6. The Parties represent that approval of the Agreement will not cause a decrease in the reliability of electrical service to the existing or future customers of either utility. To the contrary, the Parties believe that approval of the Agreement and the transfer of Extra-Territorial Customers to the utility in whose service area they are located, thereby enabling the utilities to plan and operate their systems more efficiently, will serve to improve reliability, further the objective of eliminating unnecessary duplication of facilities, and promote the Commission's long-standing policy of encouraging territorial agreements between and among Florida's electric utilities.

WHEREFORE, Central Florida and City of Newberry jointly request that the Commission grant the Joint Petition and approve the Territorial Agreement between the Parties, as set forth in Attachment 1 hereto.

Respectfully submitted,

Mike Campbell
General Manager
P. O. Box 9
Chiefland, FL 32644
Telephone: 352-493-2511
Facsimile: 352-493-4499

Keith Ashby
City Manager
24439 W Newberry Rd
P.O. Box 369
Newberry, Florida 32669
Telephone: 352-472-1537
Facsimile: 352-472-1799

ATTACHMENT 1

TERRITORIAL AGREEMENT

between

**Central Florida Electric Cooperative
And City of Newberry**

TERRITORIAL AGREEMENT

THIS TERRITORIAL AGREEMENT ("Agreement"), made and entered into as of this ____ day of _____, 2012, by and between the **CITY OF NEWBERRY, FLORIDA**, a municipal corporation organized and existing under the laws of the State of Florida (hereinafter called "CITY") and **CENTRAL FLORIDA ELECTRIC COOPERATIVE**, an electric cooperative existing under the laws of the State of Florida (hereinafter called "COOPERATIVE"), collectively called the "Parties";

WITNESSETH

WHEREAS, the CITY and COOPERATIVE are each authorized and empowered to provide retail electric service to persons, firms and corporations, public and private, within the State of Florida. and pursuant to such authority presently furnish electricity and power to Customers both inside and outside of the corporate limits of the City, in Alachua County, Florida; and obligated by their corporate charter and laws of the State of Florida to furnish retail electric service to persons upon request within their respective service areas;

WHEREAS, the Commission has previously recognized that duplication of electric facilities results in needless and wasteful expenditures, may create hazardous situations, and fails to provide the most economical and cost-effective service to the utility customer and therefore detrimental to the public interest; and

WHEREAS, the Commission is empowered by Section 366.04, *Florida Statutes*, to approve territorial agreements between and among municipal electric utilities and electric cooperatives; and

WHEREAS, the respective areas of service of the Parties hereto are contiguous in many places within Alachua County and the CITY which may result in future duplication of service facilities unless such duplication is precluded by the Territorial Agreement; and

WHEREAS, the Parties desire to establish an Agreement in its entirety through this Agreement in order to gain further operational efficiencies and customer service improvements in their respective retail service territories in Alachua County, while continuing to eliminate the circumstances giving rise to the uneconomic duplication of service facilities and hazardous situations.

WHEREAS, in order to delineate said retail service areas, the Parties have agreed upon a territorial boundary line in portions of the CITY, to define and delineate the retail service areas between the Parties within Alachua County and the CITY as further described herein; and

WHEREAS, the Parties agree that the terms and conditions as set forth in this Agreement are in the interest of both Parties and in the public interest by avoiding the unnecessary and uneconomic duplication of electric facilities; and

WHEREAS, the Parties acknowledge that this Agreement shall have no force and effect unless approved by the Commission;

NOW, THEREFORE, in fulfillment of the purposes and desires aforesaid, and to serve the public interest, and in consideration of the mutual covenants and agreements herein contained, which shall be construed as being interdependent, the Parties do hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Territorial Boundary Lines: As used herein, the term "Territorial Boundary Lines" shall mean boundary lines which delineate the areas on the map attached hereto as Exhibit "A" and which differentiate and divide the Cooperative Territorial Area from the City Territorial Area

Section 1.2 Cooperative Territorial Area: As used herein, the term "Cooperative Territorial Area" shall mean the geographic areas shown on Exhibit "A" allocated to the COOPERATIVE as its retail service territory and labeled as "Central Florida Electric" on the maps contained in Exhibit "A".

Section 1.3 City Territorial Area: As used herein, the term "City Territorial Area" shall mean the geographic areas shown on Exhibit "A" allocated to the CITY as its retail service territory and labeled as "City of Newberry" on the maps contained in Exhibit "A".

Section 1.4 Distribution Lines: As used herein, the term "Distribution Lines" shall mean all lines for the flow of electric energy of either Party having a rating up to but not including 69 kV.

Section 1.5 Express Distribution Feeders: As used herein, the term "Express Distribution Feeder" shall mean a three-phase line, at distribution voltage, that transports power through the other Party's territory but serves no load within such territory.

Section 1.6 Transmission Lines: As used herein, the term "Transmission Lines" shall mean all lines for the flow of electric energy of either Party having a rating of 69 kV or over.

Section 1.7 New Customers: As used herein, the term "New Customers" shall mean all retail electric customers applying for service, whether or not at a new or existing location, to either CITY or COOPERATIVE after the effective date of this Agreement, and located within the territorial area of either Party at the time such application is made.

Section 1.8 Existing Customers: As used herein, the term "Existing Customers" shall mean all retail electric customers receiving service on or before the effective date of this Agreement from either Party.

Section 1.9 Extra-Territorial Customers: As used herein, the term "Extra-Territorial Customers" shall mean all retail electric customers with a Point of Use located in the territorial area of one Party but who are receiving service from the other Party on the Effective Date of this Agreement.

Section 1.10 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, which such Party shall be entitled to provide under this Agreement, irrespective of where the customer's point of connection or metering is located.

Section 1.11 Service Facilities: As used herein, the term "Service Facilities" shall mean all substations, poles, wires, cables, lighting, equipment, meters, transformers, capacitors, switchgear, monitoring and control devices, together with related equipment, facilities and property rights, used solely or useful solely in furnishing electricity to customers.

Section 1.12 Commission: As used herein, the term "Commission" shall mean the Florida Public Service Commission.

Section 1.13 Effective Date: As used herein, the term "Effective Date" shall mean the date of the Commission's final order granting approval of this Agreement in its entirety.

ARTICLE II AREA DESIGNATIONS AND NEW CUSTOMERS

Section 2.1 Service Areas: The Cooperative Territorial Area, as shown on the geographic area shown on Exhibit "A", is hereby set aside to COOPERATIVE as its retail

service area for the term hereof; and the City Territorial Area, as shown on the geographic area shown on Exhibit "A", is hereby set aside to the CITY as its retail service area for such period, and, except as otherwise specifically provided herein, neither Party shall deliver any electric energy across any Territorial Boundary Line for use at retail in the territorial area of the other.

Section 2.2 New Customers: The Parties shall each have the right to provide retail electric service to all New Customers within their respective territorial areas. Neither Party shall hereafter serve or offer to serve a New Customer located in the territorial area of the other Party except on an interim basis as provided in Section 2.3 below.

Section 2.3 Interim Service: The Parties recognize that in exceptional circumstances, economic constraints or good engineering practices may dictate 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 Point of Use until such time as the requesting Party provides written notice of its intent to serve the Point of Use. The other Party shall inform the customer of the temporary nature of such service. Any such agreement for temporary service which lasts, or is anticipated to last, for more than one year shall be submitted to the Commission for approval in accordance with Section 6.1 hereof. The Party providing temporary service hereunder shall not be required to pay the other Party for any loss of revenue associated with the provision of such temporary service.

Section 2.4: 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 Point of Use located within the service area of the other Party, service to such Point

of Use will be transferred to the other Party. Until such transfer can be completed, the service provided by the Party inadvertently serving the Point of Use will be deemed temporary in accordance with the provisions of Section 2.3 above, which the serving Party shall accept. The electric facilities of the transferring Party used solely to provide electric service to the Point of Use subject to such transfer may also be transferred, at the option of the receiving Party, in return for compensation determined in accordance with Section 3.3 below. Any such transfer shall be completed within 12 months of the discovery of the inadvertent error.

Section 2.5: 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 as approved by the Commission, and shall refer the prospective New Customer to the other Party.

ARTICLE III TRANSFER OF CUSTOMERS

Section 3.1 In General: In order to achieve the operational efficiencies and other benefits contemplated by the Proposed Agreement in a timely manner, all Extra-Territorial Customers shall be transferred to the Party in whose Territorial Area such customers are located at the earliest practical time, consistent with sound utility practices and reasonable customer notice. The Parties expect the transfer of Extra-Territorial Customers to be completed within twelve months from the Effective Date and will notify the Commission if circumstances require additional time to complete the transfer. The Extra-Territorial Customers subject to transfer hereunder are listed by name and service address on Exhibit "B" hereto.

Section 3.2 Transfer of Facilities: If Service Facilities are transferred pursuant to Sections 2.4 or 3.1 above, the receiving Party may elect to purchase the Service Facilities of the transferring Party related exclusively to serving the Extra-Territorial Customers for an amount determined in accordance with Section 3.3(a) below.

Section 3.3 Compensation for Transferred Customers and Facilities: All services subject to transfer, together with the service facilities related thereto shall be transferred in the following manner and for the following considerations:

- a) Compensation for Service Facilities. The CITY shall pay the COOPERATIVE in cash, the amount established in this section. If Service Facilities are transferred pursuant to Sections 2.4 or 3.1 above, the CITY shall compensate the COOPERATIVE in an amount based upon the replacement cost (new), less depreciation calculated on a straight line basis over the life of the asset (service facility) as determined from the COOPERATIVE's books and records, and the cost to the COOPERATIVE for reintegration of its remaining system to the extent such reintegration costs are reasonably required by sound utility practices, but in no event shall the fair market value be less than twenty (20) percent of replacement cost. The replacement cost shall be determined by COOPERATIVE's replacement cost and then depreciated as shown on exhibit "C".
- b) Compensation for Transferred Customers. In addition to any compensation due in Section (a), the CITY will pay the at the time of the transfer of each service transferred an amount equal to the product of COOPERATIVE's gross charge per kilowatt hour (which amount includes the customer charge) for service to such location at the time of transfer multiplied by the total kilowatt hours used for electric

service at such location for either the immediately preceding twenty-four (24) month period in which the account was served at the service location, or a twenty-four (24) month period annualized in the event less the twenty-four (24) months are billed during the preceding year as shown on Exhibit "D".

- c) Compensation for Street and Security Lights. In addition to compensation due per Sections (a) and (b) above, the amount to be paid for street and security lights transferred shall be an amount equal to the total billings for such security lights for the immediately preceding twenty-four (24) month period in which the account was served at the service location, or a twenty-four (24) month period annualized in the event less than twenty-four (24) months are billed during the preceding year as shown on Exhibit "D".
- d) Transfer Instruments. With each transfer, the COOPERATIVE will make, execute and deliver to the CITY a conveyance, deed or other instrument of transfer as is appropriate in order to convey all rights, title and interest of the COOPERATIVE in any Service Facilities, rights-of-way, easements, road permits, or other rights.
- e) Deposits. All deposits and or membership will be refunded directly to Extra-Territorial Customers as per Central Florida Electric Cooperative, Inc. policy.
- f) Time of Payment. All payments from the CITY to the COOPERATIVE determined in accordance with this section shall be made in cash within thirty (30) days of the related transfer. The compensation provided by the CITY to the COOPERATIVE pursuant to this paragraph (a) through (d) shall not exceed the sum of \$77,806.66

OPERATION AND MAINTENANCE

Section 4.1 Facilities to Remain: All generating plants, transmission lines, substations, distribution lines and related facilities now used by either Party in conjunction with their respective electric utility systems, and which are used directly or indirectly and are useful in serving customers in their respective service areas, shall be allowed to remain where situated and shall not be subject to removal hereunder; provided, however, that such Party shall operate and maintain said lines and facilities in such manner as to minimize any interference with the operations of the other Party.

Section 4.2 Joint Use: The Parties hereto realize that it may be necessary, under certain circumstances and in order to carry out this Agreement, to make arrangements for the joint use of their respective service facilities. In such event, arrangement shall be made by separate instruments incorporating standard engineering practices and providing proper clearances with respect thereto.

Section 4.3 Express Distribution Feeders: Either Party may maintain, operate and/or erect new Express Distribution Feeders in the territorial area of the other Party; provided, however, that the Party shall construct, operate and maintain said feeders in a manner so as to minimize any interference with the operation of the other Party's facilities.

Section 4.4. Party's Right to Serve Own Facilities: Nothing herein shall be construed to prevent or in any way inhibit the right and authority of the CITY or COOPERATIVE to serve any of its existing business or operational facilities, including such facilities hereinafter constructed that are located in the other party's territorial area. This provision shall be limited to be CITY or COOPERATIVE owned, funded and operated projects.

ARTICLE V
PREREQUISITE APPROVAL

Section 5.1 Florida Public Service Commission Approval: The provisions and the Parties' 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 prerequisite to the validity and applicability hereof.

Section 5.2 Liability in the Event of Disapproval: In the event approval pursuant to Section 6.1 is not obtained, neither Party will have any claim against the other arising under this Agreement.

ARTICLE VI **DURATION**

Section 6.1: This Agreement shall continue and remain in effect for a period of fifteen (15) years from the date of the Commission's approval of this Agreement.

ARTICLE VII **CONSTRUCTION OF AGREEMENT**

Section 7.1 Intent and Interpretation: This Agreement shall be construed and interpreted to give full effect to the intention of the Parties for entering into this Agreement, which is to avoid needless and uneconomic costs associated with unnecessary duplication of electric service facilities by either Party that would likely result if the Parties did not agree as provided herein.

Section 7.2 Bulk Power Supply for Resale: Nothing herein shall be construed to prevent either Party from providing a bulk power supply for resale purposes, 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 Other Electric Utilities: Nothing in this Agreement is intended to define, establish or affect in any manner the rights of any other electric utility not a Party to this Agreement with respect to the furnishing of retail electric service.

Section 7.4 Franchise Fee Agreement: Nothing contained in this Agreement shall preclude the COOPERATIVE from entering into a subsequent franchise fee agreement with the CITY.

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 amendment to, alteration or modification of this Agreement shall be binding upon either of the Parties hereto unless the same shall be in writing, signed by both Parties, and approved by the Commission. This Agreement supersedes any and all territorial agreements previously entered into by the Parties.

Section 8.2 Third Parties, Successors and Assigns: Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon or give to any person or corporation other than the Parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of any shall be binding only upon the Parties hereto and their respective representatives, successors and assigns.

Section 8.3 Notices: Notices and other written communications contemplated by this Agreement shall be deemed to have given if sent by certified mail, postage prepaid, by prepaid private courier, or by confirmed facsimile transmittal, as follows:

To the COOPERATIVE:

General Manager,
Central Florida Electric Cooperative, Inc.
P O Box 9
Chiefland, Florida 32644
Facsimile 352-493-4499

To the CITY:

City Manager,
City of Newberry
P. O. Box 369
Newberry, Florida 32669
Facsimile 352-472-1799

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.

Section 8.4 Severability: the invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

Section 8.5 Costs and Attorney's Fees: In the event legal action is taken to enforce the terms of this Agreement, the prevailing Party shall be entitled to recover all costs incurred, including reasonable attorney's fees, including such costs and fees incurred in any appellate proceeding.

{THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK.}

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals by
the appropriate and authorized officials of each Party.

CENTRAL FLORIDA ELECTRIC COOPERATIVE, INC.

ATTEST:

By: Randy J. Mikell
Randy Mikell, President
Central Florida Electric Cooperative, Inc.

By: Gregory V. Beauchamp
Gregory V. Beauchamp
Attorney, Central Florida Electric Cooperative, Inc.

CITY OF NEWBERRY

ATTEST:

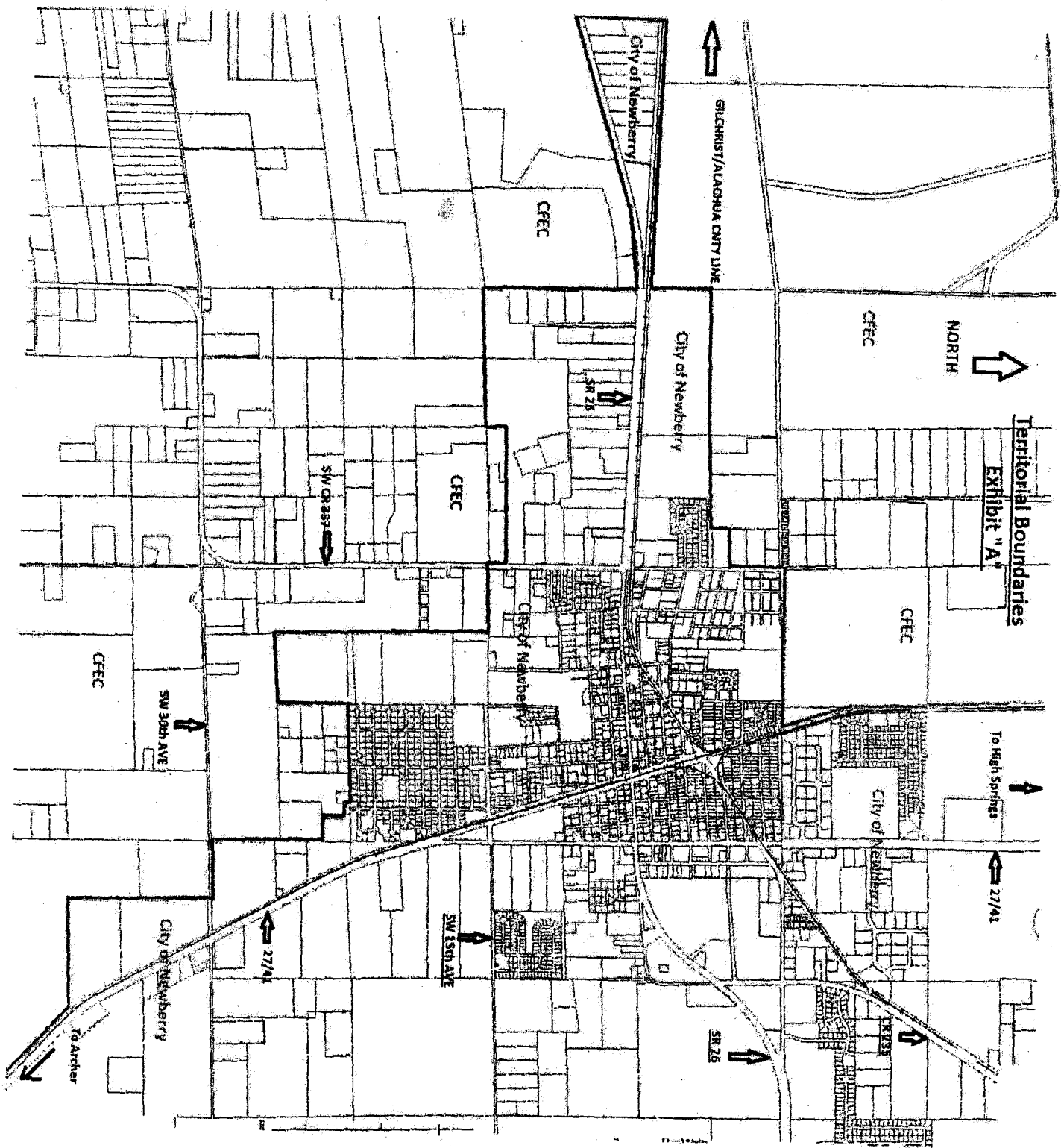
By: William H. Conrad
Honorable William H. Conrad, Mayor

By: Keith R. Ashby
Keith Ashby, City Manager

By: Gayle B. Pons
Gayle B. Pons, City Clerk

Approved as to form and legality:

By: S. Scott Walker
S. Scott Walker
Attorney, City of Newberry



**Territorial Boundaries
Exhibit "A"**

NORTH

GILCHRIST/ALACHUA CNTY LINE

City of Newberry

CFEC

CFEC

CFEC

CFEC

City of Newberry

CFEC

SW 30th AVE

City of Newberry

To High Springs

SW 15th AVE

SR 25

City of Newberry

SR 27/41

To Archer

Exhibit " B "

Extra-Territorial Customers

1	Ronald R Aparicio : Acc #229611066	P O Box 965 Newberry, Fla. 32669-0965
2	William E Carman : Acc #204038608	P O Box 615 Newberry, Fla. 32669-6015
3	Larry A Dalton : Acc #1788615860	P O Box 562 Newberry, Fla. 32669-0562
4	Ronald D Davis : Acc #202102505	28031 West Newberry Road Newberry, Fla. 32669-2604
5	Ronald D Davis : Acc #201081452	28031 West Newberry Road Newberry, Fla. 32669-2604
6	Ronald D Davis : Acc #202067955	28031 West Newberry Road Newberry, Fla. 32669-2604
7	Myrtle M Dick : Acc #1978731147	P O Box 814031 Newberry, Fla. 32669-4031
8	Clarence N Grubb : Acc #961417886	27619 West Newberry Road Newberry, Fla. 32669-2604
9	Andrew J Hall : Acc #10006610	P O Box 602 Newberry, Fla. 32669-0602
10	Hester D Heaslett : Acc #10002983	P O Box 767 Newberry, Fla. 32669-0767
11	Hester D Heaslett : Acc #10002975	P O Box 767 Newberry, Fla. 32669-0767
12	Rudolph B Napier : Acc #5107041427	P O Box 447 Newberry, Fla. 32669-0447
13	Pat M Post : Acc #5652911248	P O Box 1319 Newberry, Fla. 32669-1319
14	Pat M Post : Acc #960103216	P O Box 1319 Newberry, Fla. 32669-1319
15	Pat M Post : Acc #5652940825	P O Box 1319 Newberry, Fla. 32669-1319
16	Jami C Proctor : Acc #206014698	27717 West Newberry Road Newberry, Fla. 32669-2604
17	Jami C Proctor : Acc #203048624	27717 West Newberry Road Newberry, Fla. 32669-2604
18	Debra L Southland : Acc #960071041	P O Box 397 Newberry, Fla. 32669-0397

"Exhibit C"

Inventory of assets to be sold	Loc./Area #	DESCRIPTION	Units	Quantity	ASSET ID	REPLACEMENT COST PER ENG EST	CALCULATION OF FAIR MARKET VALUE				FAIR MARKET VALUE (Minimum + 20% of Replacement Cost)
							TOTAL REPLACEMENT COST	Depreciation Rate	Average Age	DEPRECIATION ALLOW'ON REPLACEMENT COST	
City of Newberry Terrestrial Agreement Inventory Central Florida Electric Coop. Inc. Purchase/Sale Effective Date of Installation											
CPEC Line/Pole Number	6-2-093	Anchor	EA	3	3640011	75.58	226.74	3.72%	32	1226.74	45.35
	6-1-482	Wire - 3/8 Siemens Weather	FT	63	3640091	1.06	66.78	3.72%	32	(66.78)	13.36
		Cond ACSR #2	FT	1034	3650481	0.44	454.95	2.64%	32	(384.35)	90.99
		Cond TP #2	FT	104	3650601	8.25	859.00	2.64%	32	(724.84)	171.60
		Ground Rod	EA	2	3651601	69.42	132.84	2.64%	32	(112.22)	26.57
		Insul Guy Strain - 3/8	EA	3	3641261	21.42	64.26	3.72%	32	(94.26)	12.85
		Insul Post Type F-27 KV	EA	1	3651541	63.38	63.38	2.64%	32	(63.54)	12.68
		Insulator Suspension-27 KV	EA	3	3651811	22.40	67.20	2.64%	32	(66.17)	13.44
		Pole 30-7	EA	1	3641291	221.30	221.30	3.72%	32	(221.30)	44.26
		Pole 30-5	EA	1	3641321	268.84	268.84	3.72%	32	(268.84)	53.77
		Pole 40-5	EA	1	3641371	328.54	328.54	3.72%	32	(328.54)	65.71
		Pole 45-4	EA	1	3641411	401.86	401.86	3.72%	32	(401.86)	80.37
		Subtotal				3,154.70				(2,910.05)	630.94
CPEC Line/Pole Number	8-1-187	ANCHOR 10-66	EA	7	3640011	75.58	529.06	3.72%	13	(255.85)	273.21
		WIRE - 3/8 SIEMENS MARTIN	FT	120	3640091	1.06	127.20	3.72%	13	(61.51)	65.85
		COND ACSR #2	FT	3088	3650481	0.44	1,367.84	2.64%	13	(446.01)	891.83
		COND TP #2	FT	49	3650601	8.25	404.25	2.64%	13	(138.74)	266.51
		GROUND ROD	EA	2	3651501	66.42	132.84	2.64%	13	(46.59)	87.25
		INSUL GUY STRAIN - 3/8	EA	7	3641261	21.42	149.94	3.72%	13	(72.51)	77.43
		INSUL POST TYPE F-27 KV	EA	4	3651541	63.38	253.52	2.64%	13	(87.01)	166.51
		INSULATOR SUSPENSION 27 KV	EA	5	3651811	22.40	112.00	2.64%	13	(46.13)	65.87
		Pole 30-7	EA	1	3641291	221.30	221.30	3.72%	13	(107.02)	114.28
		Pole 40-5	EA	1	3641371	328.54	328.54	3.72%	13	(158.89)	169.65
		Pole 45-4	EA	3	3641411	401.86	1,205.58	3.72%	13	(543.89)	661.74
		Subtotal				4,017.86	5,103.38			(1,943.34)	2,075.52
										(2,147.48)	2,955.90
CPEC Line/Pole Number	8-1-405	ANCHOR 10-66	EA	2	3640011	75.58	151.16	3.72%	30	(151.16)	30.23
	8-4-443	WIRE - 3/8 SIEMENS MARTIN	FT	30	3640091	1.06	31.80	3.72%	30	(31.80)	6.36
	8-1-751	COND ACSR #2	FT	2260	3650481	0.44	994.40	2.64%	30	(787.56)	206.84
	8-1-752	COND TP #2	FT	30	3650601	8.25	247.50	2.64%	30	(196.02)	51.48
		GROUND ROD	EA	5	3651501	66.42	332.10	2.64%	30	(263.02)	69.08
		INSUL GUY STRAIN - 3/8	EA	3	3641261	21.42	64.26	3.72%	30	(64.26)	12.85
		INSUL POST TYPE F-27 KV	EA	4	3651541	63.38	253.52	2.64%	30	(200.79)	52.73
		INSULATOR SUSPENSION 27 KV	EA	1	3651811	22.40	22.40	2.64%	30	(17.74)	4.66
		Pole 30-7	EA	1	3641291	221.30	221.30	3.72%	30	(221.30)	44.26

Inventory of assets to be sold				CALCULATION OF FAIR MARKET VALUE									
Loc/Area #	DESCRIPTION	Units	Quantity	ASSET ID	REPLACEMENT COST PER ENG EST	TOTAL REPLACEMENT COST	Depreciation Rate	Average Age	DEPRECIATION ALLOW ON REPLACEMENT COST	FAIR MARKET VALUE (Minimum - 20% of Replacement Cost)			
City of Newberry Territorial Agreement Inventory County: _____ Purchase/Sale Effective Date of transaction													
Central Florida Electric Coop., Inc. Purchase													
Subtotal						3,697.61			(3,313.03)	754.36			
CFEC Line/Pole Number	6-0-990	ANCHOR 10-66	EA	5	3640011	75.58	3.72%	34	(377.90)	75.58			
	6-1-189	WIRE 3/8 SIEMENS MARTIN	FT	90	3640091	1.06	3.72%	34	(95.40)	19.08			
		COND ACSR #2	FT	3280	3650491	0.44	2.64%	34	(1,289.37)	289.52			
		UG COND TP #40	FT	28	3650801	6.25	2.64%	34	(207.35)	46.20			
		COND TP #2	FT	95	3660771	44.43	2.64%	34	(3,288.53)	844.17			
		GROUND ROD	EA	4	3651501	66.42	2.64%	34	(238.47)	53.14			
		INSUL GUY STRAIN - 36	EA	5	3641261	21.42	3.72%	34	(107.10)	21.42			
		INSUL POST TYPE F-27 kv	EA	3	3661541	63.38	2.64%	34	(170.67)	38.03			
		INSULATOR SUSPENSION 27 kv	EA	6	3661611	22.40	2.64%	34	(160.53)	22.40			
		POLE 38-6	EA	4	3641321	268.84	3.72%	34	(1,075.36)	215.07			
		POLE 40-5	EA	2	3641371	328.54	3.72%	34	(657.08)	131.42			
Subtotal						8,780.11			(8,117.86)	1,796.02			
CFEC Line/Pole Number	6-4-646	ANCHOR 10-66	EA	2	3640011	75.58	3.72%	34	(151.16)	30.23			
	6-2-043	WIRE 3/8 SIEMENS MARTIN	FT	35	3640091	1.06	3.72%	34	(37.10)	7.42			
	6-3-608	COND ACSR #2	FT	814	3650491	0.44	2.64%	34	(284.68)	85.71			
		GROUND ROD	EA	2	3651501	66.42	2.64%	34	(119.24)	26.57			
		INSUL GUY STRAIN - 36	EA	2	3641261	21.42	3.72%	34	(42.84)	8.57			
		INSUL POST TYPE F-27 kv	EA	1	3661541	63.38	2.64%	34	(96.89)	12.68			
		INSULATOR SUSPENSION 27 kv	EA	2	3661611	22.40	2.64%	34	(40.21)	8.96			
		POLE 30-7	EA	3	3641291	221.30	3.72%	34	(883.90)	132.78			
		POLE 38-6	EA	2	3641321	268.84	3.72%	34	(637.68)	107.54			
		Cond TP #2	FT	556	3650501	8.25	2.64%	34	(4,132.10)	920.70			
Subtotal						6,705.76			(6,165.80)	1,341.15			
CFEC Line/Pole Number	6-1-274	ANCHOR 10-66	EA	3	3640011	75.58	3.72%	20	(158.69)	58.05			
	6-3-493	WIRE 3/8 SIEMENS MARTIN	FT	67	3640091	1.06	3.72%	20	(62.84)	18.18			
		COND ACSR #2	FT	1012	3650491	0.44	2.64%	20	(235.11)	210.17			
		GROUND ROD	EA	2	3651501	66.42	2.64%	20	(70.14)	62.70			
		INSUL GUY STRAIN - 36	EA	3	3641261	21.42	3.72%	20	(47.81)	16.46			
		INSULATOR SUSPENSION 27 kv	EA	3	3661611	22.40	2.64%	20	(35.49)	31.72			
		POLE 30-7	EA	3	3641291	221.30	3.72%	20	(493.94)	169.96			
		POLE 38-6	EA	2	3641321	268.84	3.72%	20	(400.03)	137.66			
		Cond TP #2	FT	211	3650801	8.25	2.64%	20	(919.12)	821.63			
		Cond TP # 10	FT	211	3650611	2.19	2.64%	20	(243.98)	218.11			
Subtotal						4,411.76			(2,667.15)	1,744.51			

Inventory of assets to be sold				CALCULATION OF FAIR MARKET VALUE									
Loc./Area #	DESCRIPTION	Units	Quantity	ASSET ID	REPLACEMENT COST PER ENG EST	TOTAL REPLACEMENT COST	Depreciation Rate	Average Age	DEPRECIATION ALLOW ON REPLACEMENT COST	FAIR MARKET VALUE (Multipliers - 20% of Replacement Cost)			
City of Newberry Teritorial Agreement Inventory Central Florida Electric Coop., Inc. Counterparty: Purchase Purchase/Sale Effective Date of transaction:													
CPEC Line/Pole Number	6-1-167	ANCHOR 10-68	EA	3	3640011	75.58	226.74	3.72%	30	(226.74)	45.35		
		WIRE - 3/8 SIEMENS MARTIN	FT	58	3640081	1.06	61.48	3.72%	30	(61.48)	12.30		
		COND RCSR #2	FT	1172	3650481	0.44	515.68	2.64%	30	(408.42)	107.25		
		GROUND ROD	EA	2	3651501	68.42	132.64	2.64%	30	(105.21)	27.53		
		INSUL GUY STRAIN -36	EA	3	3641261	21.42	64.26	3.72%	30	(64.26)	12.85		
		INSUL POST TYPE F-27 KV	EA	1	3651541	63.38	63.38	2.64%	30	(60.20)	13.18		
		INSULATOR SUSPENSION 27 KV	EA	3	3651611	22.40	67.20	2.64%	30	(63.22)	13.98		
		POLE 30-7	EA	2	3641281	221.30	442.60	3.72%	30	(442.60)	82.52		
		POLE 35-6	EA	2	3641231	268.84	537.68	3.72%	30	(537.68)	107.54		
		Cond TP #2	FT	170	3650601	8.25	1402.50	2.64%	30	(1110.78)	297.72		
		Cond TP # 100	FT	154	3650611	2.19	337.26	2.64%	30	(267.11)	70.15		
	Subtotal					3,951.62				(3,327.70)	796.47		
CPEC Line/Pole Number	6-3-518	ANCHOR 10-68	EA	1	3640011	75.58	75.58	3.72%	21	(69.04)	16.54		
	6-4-173	WIRE - 3/8 SIEMENS MARTIN	FT	15	3640091	1.06	15.90	3.72%	21	(12.42)	3.48		
	6-4-240	GROUND ROD	EA	1	3651501	68.42	68.42	2.64%	21	(36.82)	29.60		
		INSUL GUY STRAIN -36	EA	1	3641261	21.42	21.42	3.72%	21	(16.73)	4.69		
		INSULATOR SUSPENSION 27 KV	EA	1	3651611	22.40	22.40	2.64%	21	(12.42)	9.98		
		POLE 30-7	EA	2	3641281	221.30	442.60	3.72%	21	(396.78)	96.84		
		POLE 35-6	EA	1	3641321	268.84	268.84	3.72%	21	(210.02)	58.82		
		Cond TP # 10	FT	208	3650611	2.19	455.52	2.64%	21	(252.84)	202.98		
		UG Cond TP #40	FT	230	3650901	3.13	719.80	2.64%	21	(589.11)	320.79		
		UG URDU 70	FT	620	3650831	4.02	2,492.40	2.64%	21	(1,381.79)	1,110.61		
	Subtotal					4,580.98				(2,728.65)	1,854.32		
CPEC Map Location	EG-SW5-30	LIGHT YARD HRS 100W	EA	1	3710051	326.41	326.41	4.08%	9	(119.86)	206.55		
	EG-8-19	LIGHT YARD HRS 100W	EA	1	3710091	326.41	326.41	4.08%	9	(119.86)	206.55		
	EG-8-32	LIGHT YARD HRS 100W	EA	1	3710051	326.41	326.41	4.08%	7	(83.22)	233.19		
	EG-SW5-12	LIGHT YARD HRS 100W	EA	1	3710051	326.41	326.41	4.08%	35	(326.41)	66.28		
	EG-8-18	LIGHT YARD HRS 100W	EA	1	3710051	326.41	326.41	4.08%	20	(266.35)	65.28		
	Subtotal					1,632.05				(825.70)	776.66		
GRAND TOTAL COST OF FACILITIES					\$	41,918.17			\$	(32,301.41)	\$ 12,604.04		

"Exhibit D"

Going Concern (Revenue) to be transferred

<u>Account #</u>	<u>Line/Pole #</u>	<u>Kwh Usage</u>	<u>Kwh Amt</u>	<u>Contract Minimum</u>	<u>Power Cost Adjustment</u>	<u>Facility Charge</u>	<u>Security Lights</u>	<u>Total Revenue</u>	<u># Months Billed</u>	<u>Adjust 24 Month Revenue Total</u>
10002975	6-3-493	45,809	\$ 5,281.61	\$ -	\$ (41.56)	\$ 380.00	\$ -	\$ 5,620.05	24	\$ 5,620.05
10002983	6-1-274	2,266	250.67	10.92	(3.86)	380.00	-	637.73	24	637.73
10006610	6-2-043	18,993	2,130.21	-	(43.53)	282.00	-	2,368.68	18	3,158.24
201081452	6-4-173	10,961	1,207.73	-	(11.34)	380.00	-	1,576.39	24	1,576.39
202067955	6-4-240	34,033	3,859.79	-	(23.88)	380.00	246.00	4,461.91	24	4,461.91
202102505	6-1-752	20,157	2,231.31	-	(14.08)	380.00	246.00	2,843.23	24	2,843.23
203048624	6-0-990	3,603	397.33	-	(0.76)	380.00	-	776.57	24	776.57
204038608	6-4-443	39,814	4,560.71	-	(40.03)	380.00	246.00	5,146.68	24	5,146.68
206014698	6-4-646	51,759	5,998.51	-	(30.72)	380.00	-	6,347.79	24	6,347.79
229611066	6-1-167	42,168	4,852.56	-	(30.89)	380.00	-	5,201.67	24	5,201.67
960071041	6-3-518	35,382	4,027.77	-	(23.51)	380.00	-	4,384.26	24	4,384.26
960103216	6-1-187	2,399	265.28	58.49	5.86	380.00	-	709.63	24	709.63
960107886	6-3-608	22,406	2,509.74	-	(14.67)	380.00	-	2,875.07	24	2,875.07
1788615860	6-1-405	26,978	3,030.58	-	(18.88)	380.00	-	3,391.70	24	3,391.70
1978731147	6-1-189	4,689	517.69	6.62	(0.96)	380.00	246.00	1,149.35	24	1,149.35
5107041427	6-1-751	33,128	3,749.25	-	(29.81)	380.00	246.00	4,345.44	24	4,345.44
5652911248	6-1-482	68,755	8,088.81	-	(79.33)	380.00	-	8,389.48	24	8,389.48
5652940825	6-2-093	33,867	3,834.79	-	(27.96)	380.00	-	4,186.83	24	4,186.83
Total		497,167	\$56,794.34	\$ 76.03	\$ (429.91)	\$6,742.00	\$1,230.00	\$64,412.46		\$ 65,202.02

**RESPONSE TO REQUEST
NUMBER 1**

*Marked-up version of Territorial
Agreement executed on March 26, 2012*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of Central Florida
Electric Cooperative and City of
Newberry for approval of an
Territorial agreement in
Alachua County.

Docket No. _____

Submitted for filing:
XXXX XX, XXXX

JOINT PETITION

Joint Petitioners, Central Florida Electric Cooperative, Inc., ("Central Florida") and City of Newberry pursuant to Section 366.04(2)(d), Florida Statutes, and Rule 25-6.0440, Florida Administrative Code, hereby jointly petition the Florida Public Service Commission (the "Commission") for approval of a territorial agreement between the Parties in Alachua County, Florida. In support hereof, Joint Petitioners state as follows:

1. All notices and pleadings in this matter should be served on the following:

For Central Florida:

General Manager,
Central Florida Electric Cooperative, Inc.
P O Box 9
Chiefland, Florida 32644
Facsimile 352-493-4499

For City of Newberry:

City Manager,
City of Newberry
25439 W Newberry Rd (32669)
P O Box 369 (32669)
Newberry, Florida
Facsimile 352-472-1799

2. Joint Petitioners are electric utilities as defined in Section 366.02(2), Florida Statutes, and are subject to jurisdiction of the Commission with respect to territorial agreements and territorial disputes pursuant to Section 366.04(2)(d) and (e), Florida Statutes. Central Florida's principal offices are located at 1124 N. Young Boulevard, Chiefland, Florida 32644.

City of Newberry's principal offices are located at 25439 W Newberry Rd, Newberry, Florida 32669.

3. This Territorial Agreement ("Agreement") will remain for fifteen (15) years from the date of approval by the Commission and is appended hereto as Attachment 1. The respective service territories of the Parties are largely the same, with the exception of several modifications to the territorial boundary line intended to provide the Parties further operational efficiencies and customer service improvements in their respective service territories. ~~In addition to the~~The detailed maps included as Exhibit "A" to the Agreement, ~~official General Highway County maps for Alachua County depicting the Territorial Boundary Line are appended hereto as Attachment~~ 2.

4. The Agreement provides for the transfer of all Extra-Territorial Customers to the Party in whose service territory such customers are located. The Parties expect that all such transfers and related service facilities will be completed within 12 months of the Commission's order approving the Agreement. The Parties are agreeable to submitting annual reports on the status of these customer and related facilities transfers if that is the Commission's desire, and will provide the Commission advance notification if extenuating circumstances require additional time to complete the transfers. The names and service addresses of the Extra-Territorial Customers subject to transfer are listed in Exhibit "BC" to the Agreement, which includes eighteen (18) customers to be transferred from Central Florida to City of Newberry and 0 customers to be transferred from City of Newberry to Central Florida.

5. Prior to the filing of this Joint Petition, all Extra-Territorial Customers subject to transfer have been sent written notification of the Agreement between Central Florida and City of Newberry, the transfer provisions described above, the necessity of Commission approval, and

their opportunity to be heard in this regard. A sample copy of the letter providing such notification to the affected Extra-Territorial Customers is appended hereto as Attachment 23. As of the time of filing, no responses to the notification letter have been received. A summary of the responses ultimately received, if any, will be provided by supplemental filing.

6. The Parties represent that approval of the Agreement will not cause a decrease in the reliability of electrical service to the existing or future customers of either utility. To the contrary, the Parties believe that approval of the Agreement and the transfer of Extra-Territorial Customers to the utility in whose service area they are located, thereby enabling the utilities to plan and operate their systems more efficiently, will serve to improve reliability, further the objective of eliminating unnecessary duplication of facilities, and promote the Commission's long-standing policy of encouraging territorial agreements between and among Florida's electric utilities.

WHEREFORE, Central Florida and City of Newberry jointly request that the Commission grant the Joint Petition and approve the Territorial Agreement between the Parties, as set forth in Attachment 1 hereto.

Respectfully submitted,

Mike Campbell
General Manager
P. O. Box 9
Chiefland, FL 32644
Telephone: 352-493-2511
Facsimile: 352-493-4499

Keith Ashby
City Manager
24439 W Newberry Rd
P.O. Box 369
Newberry, Florida 32669
Telephone: 352-472-1537
Facsimile: 352-472-1799

ATTACHMENT 1

TERRITORIAL AGREEMENT

between

**Central Florida Electric Cooperative
And City of Newberry**

AMENDED TERRITORIAL AGREEMENT

THIS TERRITORIAL AGREEMENT ("Agreement"), made and entered into as of this ____ day of _____, 2012, by and between the **CITY OF NEWBERRY, FLORIDA**, a municipal corporation organized and existing under the laws of the State of Florida (hereinafter called "CITY") and **CENTRAL FLORIDA ELECTRIC COOPERATIVE**, an electric cooperative existing under the laws of the State of Florida (hereinafter called "COOPERATIVE"), collectively called the "Parties," amending the previous Territorial Agreement executed on or about March 26, 2012;

WITNESSETH

WHEREAS, the CITY and COOPERATIVE are each authorized and empowered to provide retail electric service to persons, firms and corporations, public and private, within the State of Florida, and pursuant to such authority presently furnish electricity and power to Customers both inside and outside of the corporate limits of the City, in Alachua County, Florida; and obligated by their corporate charter and laws of the State of Florida to furnish retail electric service to persons upon request within their respective service areas;

WHEREAS, the Commission has previously recognized that duplication of electric facilities results in needless and wasteful expenditures, may create hazardous situations, and fails to provide the most economical and cost-effective service to the utility customer and therefore detrimental to the public interest; and

WHEREAS, the Commission is empowered by Section 366.04, *Florida Statutes*, to approve territorial agreements between and among municipal electric utilities and electric cooperatives; and

WHEREAS, the respective areas of service of the Parties hereto are contiguous in many places within Alachua County and the CITY which may result in future duplication of service facilities unless such duplication is precluded by the Territorial Agreement; and

WHEREAS, the Parties desire to establish an Agreement in its entirety through this Agreement in order to gain further operational efficiencies and customer service improvements in their respective retail service territories in Alachua County, while continuing to eliminate the circumstances giving rise to the uneconomic duplication of service facilities and hazardous situations.

WHEREAS, in order to delineate said retail service areas, the Parties have agreed upon a territorial boundary line in portions of the CITY, to define and delineate the retail service areas between the Parties within Alachua County and the CITY as further described herein; and

WHEREAS, the Parties agree that the terms and conditions as set forth in this Agreement are in the interest of both Parties and in the public interest by avoiding the unnecessary and uneconomic duplication of electric facilities; and

WHEREAS, the Parties acknowledge that this Agreement shall have no force and effect unless approved by the Commission;

NOW, THEREFORE, in fulfillment of the purposes and desires aforesaid, and to serve the public interest, and in consideration of the mutual covenants and agreements herein contained, which shall be construed as being interdependent, the Parties do hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Territorial Boundary Lines: As used herein, the term "Territorial Boundary Lines" shall mean boundary lines which delineate the areas on the map attached hereto as Exhibit "A" and which differentiate and divide the Cooperative Territorial Area from the City Territorial Area.

Section 1.2 Cooperative Territorial Area: As used herein, the term "Cooperative Territorial Area" shall mean the geographic areas shown on Exhibit "A" allocated to the COOPERATIVE as its retail service territory and labeled as "Central Florida Electric CFEC" on the maps contained in Exhibit "A".

Section 1.3 City Territorial Area: As used herein, the term "City Territorial Area" shall mean the geographic areas shown on Exhibit "A" allocated to the CITY as its retail service territory and labeled as "City of Newberry" on the maps contained in Exhibit "A".

Section 1.4 Distribution Lines: As used herein, the term "Distribution Lines" shall mean all lines for the flow of electric energy of either Party having a rating up to but not including 69 kV.

Section 1.5 Express Distribution Feeders: As used herein, the term "Express Distribution Feeder" shall mean a three-phase line, at distribution voltage, that transports power through the other Party's territory but serves no load within such territory.

Section 1.6 Transmission Lines: As used herein, the term "Transmission Lines" shall mean all lines for the flow of electric energy of either Party having a rating of 69 kV or over.

Section 1.7 New Customers: As used herein, the term "New Customers" shall mean all retail electric customers applying for service, whether or not at a new or existing location, to

either CITY or COOPERATIVE after the effective date of this Agreement, and located within the territorial area of either Party at the time such application is made.

Section 1.8 Existing Customers: As used herein, the term "Existing Customers" shall mean all retail electric customers receiving service on or before the effective date of this Agreement from either Party.

Section 1.9 Extra-Territorial Customers: As used herein, the term "Extra-Territorial Customers" shall mean all retail electric customers with a Point of Use located in the territorial area of one Party but who are receiving service from the other Party on the Effective Date of this Agreement.

Section 1.10 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, which such Party shall be entitled to provide under this Agreement, irrespective of where the customer's point of connection or metering is located.

Section 1.11 Service Facilities: As used herein, the term "Service Facilities" shall mean all substations, poles, wires, cables, lighting, equipment, meters, transformers, capacitors, switchgear, monitoring and control devices, together with related equipment, facilities and property rights, used solely or useful solely in furnishing electricity to customers.

Section 1.12 Commission: As used herein, the term "Commission" shall mean the Florida Public Service Commission.

Section 1.13 Effective Date: As used herein, the term "Effective Date" shall mean the date of the Commission's final order granting approval of this Agreement in its entirety.

ARTICLE II

AREA DESIGNATIONS AND NEW CUSTOMERS

Section 2.1 Service Areas: The Cooperative Territorial Area, as shown on the geographic area shown on Exhibit "A", is hereby set aside to COOPERATIVE as its retail service area for the term hereof; and the City Territorial Area, as shown on the geographic area shown on Exhibit "A", is hereby set aside to the CITY as its retail service area for such period, and, except as otherwise specifically provided herein, neither Party shall deliver any electric energy across any Territorial Boundary Line for use at retail in the territorial area of the other.

Section 2.2 New Customers: The Parties shall each have the right to provide retail electric service to all New Customers within their respective territorial areas. Neither Party shall hereafter serve or offer to serve a New Customer located in the territorial area of the other Party except on an interim basis as provided in Section 2.3 below.

Section 2.3 Interim Service: The Parties recognize that in exceptional circumstances, economic constraints or good engineering practices may dictate 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 Point of Use until such time as the requesting Party provides written notice of its intent to serve the Point of Use. The other Party shall inform the customer of the temporary nature of such service. Any such agreement for temporary service which lasts, or is anticipated to last, for more than one year shall be submitted to the Commission for approval in accordance with Section 6.1 hereof. The Party providing temporary service hereunder shall not be required to pay the other Party for any loss of revenue associated with the provision of such temporary service.

Section 2.4: 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 Point of Use located within the service area of the other Party, service to such Point of Use will be transferred to the other Party. Until such transfer can be completed, the service provided by the Party inadvertently serving the Point of Use will be deemed temporary in accordance with the provisions of Section 2.3 above, which the serving Party shall accept. The electric facilities of the transferring Party used solely to provide electric service to the Point of Use subject to such transfer may also be transferred, at the option of the receiving Party, in return for compensation determined in accordance with Section 3.3 below. Any such transfer shall be completed within 12 months of the discovery of the inadvertent error.

Section 2.5: 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 as approved by the Commission, and shall refer the prospective New Customer to the other Party.

ARTICLE III **TRANSFER OF CUSTOMERS**

Section 3.1 In General: In order to achieve the operational efficiencies and other benefits contemplated by the Proposed Agreement in a timely manner, all Extra-Territorial Customers shall be transferred to the Party in whose Territorial Area such customers are located at the earliest practical time, consistent with sound utility practices and reasonable customer notice. The Parties expect the transfer of Extra-Territorial Customers to be completed within twelve months from the Effective Date and will notify the Commission if circumstances require

additional time to complete the transfer. The Extra-Territorial Customers subject to transfer hereunder are listed by name and service address on Exhibit "B" hereto.

Section 3.2 Transfer of Facilities: If Service Facilities are transferred pursuant to Sections 2.4 or 3.1 above, the receiving Party may elect to purchase the Service Facilities of the transferring Party related exclusively to serving the Extra-Territorial Customers for an amount determined in accordance with Section 3.3(a) below.

Section 3.3 Compensation for Transferred Customers and Facilities: All services subject to transfer, together with the service facilities related thereto shall be transferred in the following manner and for the following considerations:

- a) Compensation for Service Facilities. The CITY shall pay the COOPERATIVE in cash, the amount established in this section. If Service Facilities are transferred pursuant to Sections 2.4 or 3.1 above, the CITY shall compensate the COOPERATIVE in an amount based upon the replacement cost (new), less depreciation calculated on a straight line basis over the life of the asset (service facility) as determined from the COOPERATIVE's books and records, and the cost to the COOPERATIVE for reintegration of its remaining system to the extent such reintegration costs are reasonably required by sound utility practices, but in no event shall the fair market value be less than twenty (20) percent of replacement cost. The replacement cost shall be determined by COOPERATIVE's replacement cost and then depreciated as shown on Exhibit "C".
- b) Compensation for Transferred Customers. In addition to any compensation due in Section (a), the CITY will pay the at the time of the transfer of each service transferred an amount equal to the product of COOPERATIVE's gross charge per

kilowatt hour (which amount includes the customer charge) for service to such location at the time of transfer multiplied by the total kilowatt hours used for electric service at such location for either the immediately preceding twenty-four (24) month period in which the account was served at the service location, or a twenty-four (24) month period annualized in the event less the twenty-four (24) months are billed during the preceding year as shown on Exhibit "D".

- c) Compensation for Street and Security Lights. In addition to compensation due per Sections (a) and (b) above, the amount to be paid for street and security lights transferred shall be an amount equal to the total billings for such security lights for the immediately preceding twenty-four (24) month period in which the account was served at the service location, or a twenty-four (24) month period annualized in the event less than twenty-four (24) months are billed during the preceding year as shown on Exhibit "D".
- d) Transfer Instruments. With each transfer, the COOPERATIVE will make, execute and deliver to the CITY a conveyance, deed or other instrument of transfer as is appropriate in order to convey all rights, title and interest of the COOPERATIVE in any Service Facilities, rights-of-way, easements, road permits, or other rights.
- e) Deposits. All deposits and or membership will be refunded directly to Extra-Territorial Customers as per Central Florida Electric Cooperative, Inc. policy.
- f) Time of Payment. All payments from the CITY to the COOPERATIVE determined in accordance with this section shall be made in cash within thirty (30) days of the related transfer. The compensation provided by the CITY to the COOPERATIVE pursuant to this paragraph (a) through (d) shall not exceed the sum of \$77,806.66

OPERATION AND MAINTENANCE

Section 4.1 Facilities to Remain: All generating plants, transmission lines, substations, distribution lines and related facilities now used by either Party in conjunction with their respective electric utility systems, and which are used directly or indirectly and are useful in serving customers in their respective service areas, shall be allowed to remain where situated and shall not be subject to removal hereunder; provided, however, that such Party shall operate and maintain said lines and facilities in such manner as to minimize any interference with the operations of the other Party.

Section 4.2 Joint Use: The Parties hereto realize that it may be necessary, under certain circumstances and in order to carry out this Agreement, to make arrangements for the joint use of their respective service facilities. In such event, arrangement shall be made by separate instruments incorporating standard engineering practices and providing proper clearances with respect thereto.

Section 4.3 Express Distribution Feeders: Either Party may maintain, operate and/or erect new Express Distribution Feeders in the territorial area of the other Party; provided, however, that the Party shall construct, operate and maintain said feeders in a manner so as to minimize any interference with the operation of the other Party's facilities.

Section 4.4. Party's Right to Serve Own Facilities: Nothing herein shall be construed to prevent or in any way inhibit the right and authority of the CITY or COOPERATIVE to serve any of its existing business or operational facilities, including such facilities hereinafter

constructed that are located in the other party's territorial area. This provision shall be limited to be CITY or COOPERATIVE owned, funded and operated projects.

ARTICLE V
PREREQUISITE APPROVAL

Section 5.1 Florida Public Service Commission Approval: The provisions and the Parties' 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 prerequisite to the validity and applicability hereof.

Section 5.2 Liability in the Event of Disapproval: In the event approval pursuant to Section 6.1 is not obtained, neither Party will have any claim against the other arising under this Agreement.

ARTICLE VI
DURATION

Section 6.1: This Agreement shall continue and remain in effect for a period of fifteen (15) years from the date of the Commission's approval of this Agreement.

ARTICLE VII
CONSTRUCTION OF AGREEMENT

Section 7.1 Intent and Interpretation: This Agreement shall be construed and interpreted to give full effect to the intention of the Parties for entering into this Agreement, which is to avoid needless and uneconomic costs associated with unnecessary duplication of electric service facilities by either Party that would likely result if the Parties did not agree as provided herein.

Section 7.2 Bulk Power Supply for Resale: Nothing herein shall be construed to prevent either Party from providing a bulk power supply for resale purposes, 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 Other Electric Utilities: Nothing in this Agreement is intended to define, establish or affect in any manner the rights of any other electric utility not a Party to this Agreement with respect to the furnishing of retail electric service.

Section 7.4 Franchise Fee Agreement: Nothing contained in this Agreement shall preclude the COOPERATIVE from entering into a subsequent franchise fee agreement with the CITY.

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 amendment to, alteration or modification of this Agreement shall be binding upon either of the Parties hereto unless the same shall be in writing, signed by both Parties, and approved by the Commission. This Agreement supersedes any and all territorial agreements previously entered into by the Parties.

Section 8.2 Third Parties, Successors and Assigns: Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon or give to any person or corporation other than the Parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of any shall be binding only upon the Parties hereto and their respective representatives, successors and assigns.

Section 8.3 Notices: Notices and other written communications contemplated by this Agreement shall be deemed to have given if sent by certified mail, postage prepaid, by prepaid private courier, or by confirmed facsimile transmittal, as follows:

To the COOPERATIVE:

General Manager,
Central Florida Electric Cooperative, Inc.
P O Box 9
Chiefland, Florida 32644
Facsimile 352-493-4499

To the CITY:

City Manager,
City of Newberry
P. O. Box 369
Newberry, Florida 32669
Facsimile 352-472-1799

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.

Section 8.4 Severability: the invalidity or unenforceability of a particular provision of this Agreement shall not affect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

Section 8.5 Costs and Attorney's Fees: In the event legal action is taken to enforce the terms of this Agreement, the prevailing Party shall be entitled to recover all costs incurred, including reasonable attorney's fees, including such costs and fees incurred in any appellate proceeding.

{THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK.}

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals by
the appropriate and authorized officials of each Party.

CENTRAL FLORIDA ELECTRIC COOPERATIVE, INC. on this _____ day of _____,
2012,

ATTEST:

By: _____
Randy Mikell, President
Central Florida Electric Cooperative, Inc .

By: _____
Gregory V Beauchamp
Attorney, Central Florida Electric Cooperative, Inc.

CITY OF NEWBERRY on this _____ day of _____, 2012,

ATTEST:

By: _____
Honorable William H. Conrad, Mayor

By: _____
Keith Ashby, City Manager

By: _____
Gayle B Pons, City Clerk

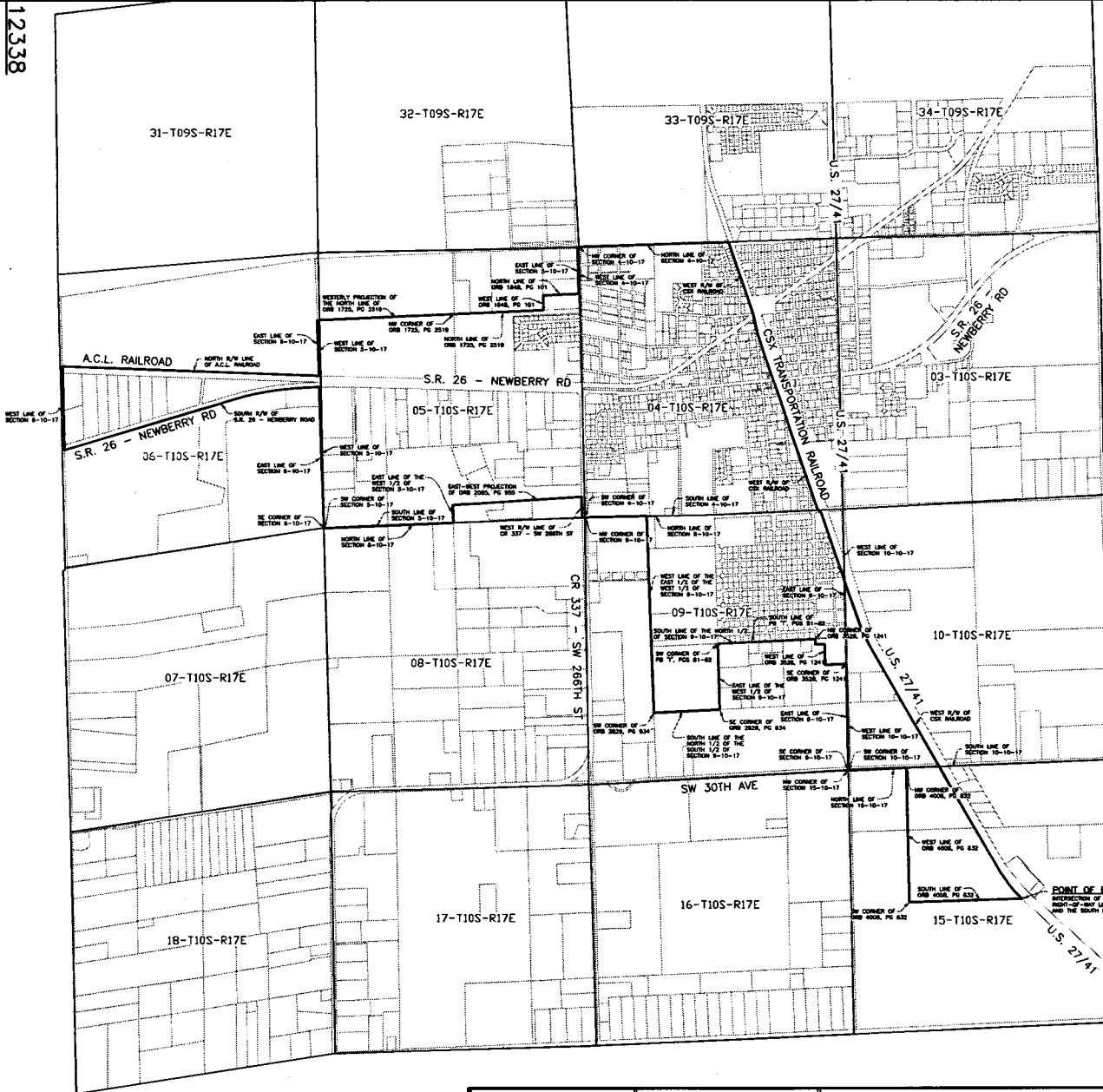
Approved as to form and legality:

By: _____
S. Scott Walker
Attorney, City of Newberry

**RESPONSE TO REQUEST
NUMBER 2**

*Detailed map outlining the
modifications to the parties' existing
service territories*

12338



SKETCH TO ACCOMPANY LAND DESCRIPTION
LAND DESCRIPTION OF THE CITY OF NEWBERRY
TERRITORIAL BOUNDARIES AS OF OCTOBER 29, 2012
"THIS IS NOT A BOUNDARY SURVEY"

LEGEND:

- ORB OFFICIAL RECORDS
- CR COUNTY ROAD
- PB PLAT BOOK
- PG PAGE
- SR STATE ROAD
- 21-110S-R19E SECTION-TOWNSHIP-RANGE
- RD ROAD
- ST. STREET
- AVE. AVENUE
- R/W RIGHT-OF-WAY

Land Description of the City of Newberry Territorial Boundaries as of October 29, 2012

Land Surveyors' Report

1. This sketch is not a boundary survey.
2. The intended purpose of this sketch is to represent a depiction of the City of Newberry Territorial Boundaries as of October 29, 2012.
3. This sketch is to accompany a written land description document that identifies the land limits of the City of Newberry. Document is titled "Land Description of the City of Newberry Territorial Boundaries as of October 29, 2012" and consist of pages. This sketch and said land description document form the total City of Newberry Territorial Boundaries land description, and one instrument is not complete without the other.
4. This sketch was prepared, compiled and derived from the following furnished existing City of Newberry records:
 - A. Alachua County Property Appraiser; tax maps, deed and other official records, record plots.
 The above described sources were compiled and arranged in a methodical order to form this land description.
5. The sketch of this land description contains key boundary references and is not intended to provide comprehensive description language.

"Land description of the City of Newberry Territorial Boundaries as of October 29, 2012" and accompanying written land description documents were prepared under my direction and supervision on October 29, 2012.

Terrence J. Brannan
 Florida Land Surveyor No. 3524

Seal

-Surveyors' Report-

SCALE @
 1" = 1500'



12338

SCALE: 1" = 1500'	PAGE 1 OF 1	
BAR IS ONE INCH ON ORIGINAL DRAWING 0 1"	DATE: 10-29-2012	
IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY	DRAWN BY: GUY	
	REVISION NOTES:	
	COPYRIGHT © TERRENCE J. BRANNAN, LAND SURVEYOR INC.	
	JOB NO. 12338	ACAD FILE: 12338-BNDY
	SURVEY BY: REGISTERED LAND SURVEYOR FLA.CERT. 3524	

TERRENCE J. BRANNAN, P.L.S.
 6910 W. UNIVERSITY AVE., SUITE 1
 GAINESVILLE, FLORIDA 32607



PHONE: (352) 331-0010
 FAX: (352) 332-4411

**RESPONSE TO REQUEST
NUMBER 3**

*Legal description of the proposed
territorial boundary*

LEGAL DESCRIPTION FOR PROPOSED TERRITORIAL AGREEMENT

COMMENCE AT THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF CSX TRANSPORTATION RAILROAD (100 FOOT WIDE RIGHT-OF-WAY) AND THE SOUTH LINE OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 4008, PAGE 832 LYING IN SECTION 15, TOWNSHIP 10 SOUTH, RANGE 17 EAST, SAID POINT BEING THE POINT OF BEGINNING; THENCE WEST ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 4008, PAGE 832; THENCE NORTH ALONG THE WEST LINE OF SAID LANDS TO THE INTERSECTION WITH THE NORTH LINE OF SAID SECTION 15 AND BEING THE SOUTH LINE OF SECTION 10, TOWNSHIP 10 SOUTH, RANGE 17 EAST; THENCE WEST ALONG SAID NORTH AND SOUTH SECTION LINES TO THE NORTHWEST CORNER OF SECTION 15 AND THE SOUTHWEST CORNER OF SECTION 10, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 4003, PAGE 838; THENCE NORTH ALONG THE WEST LINE OF SAID SECTION 10 TO THE SOUTHEAST CORNER OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 3528, PAGE 1241; THENCE WEST ALONG THE SOUTH LINE OF SAID LANDS A DISTANCE OF 456.59 FEET TO THE SOUTHWEST CORNER OF SAID LANDS; THENCE NORTH ALONG THE WEST LINE OF SAID LANDS A DISTANCE OF 420.23 FEET TO A POINT; THENCE WEST A DISTANCE OF 189.65 FEET TO A POINT ON THE WEST LINE OF SAID LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 3528, PAGE 1241; THENCE NORTH ALONG SAID WEST LINE A DISTANCE OF 100.02 FEET TO THE INTERSECTION WITH THE SOUTH LINE OF THE REPLAT OF SYLVANIA TERRACE SUBDIVISION No. 2 AS PER PLAT THEREOF RECORDED IN PLAT BOOK "T", PAGES 81-82; ALSO BEING THE SOUTH LINE OF THE N.E. ¼ OF SECTION 9, TOWNSHIP 10 SOUTH, RANGE 17 EAST; THENCE WEST ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID SYLVANIA TERRACE SUBDIVISION, ALSO BEING THE EAST LINE OF THE WEST 1/2 OF SAID SECTION 9, AND THE EAST LINE OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 2829, PAGE 934; THENCE SOUTH ALONG SAID EAST LINE TO THE SOUTHEAST CORNER OF SAID LANDS AND BEING THE SOUTH LINE OF THE NORTH ½ OF THE SOUTH ½ OF SAID SECTION 9; THENCE WEST ALONG SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID LANDS AND BEING THE WEST LINE OF THE EAST ½ OF THE WEST ½ OF SAID SECTION 9; THENCE NORTH ALONG SAID WEST LINE TO THE NORTHEAST CORNER OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 1362, PAGE 878 AND BEING THE NORTH LINE OF SECTION 9, TOWNSHIP 10 SOUTH, RANGE 17 EAST, AND ALSO THE SOUTH LINE OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 17 EAST; THENCE WEST ALONG THE NORTH LINE OF SAID SECTION 9 AND THE SOUTH LINE OF SAID SECTION 4 TO

THE SOUTHWEST CORNER OF SAID SECTION 4 AND THE SOUTHEAST CORNER OF SECTION 5, TOWNSHIP 10 SOUTH, RANGE 17 EAST; THENCE WEST ALONG THE SOUTH LINE OF SAID SECTION 5 TO THE WEST RIGHT-OF-WAY LINE OF COUNTY ROAD 337 – SW 266TH STREET AND BEING THE SOUTHEAST CORNER OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 3573, PAGE 961; THENCE NORTH ALONG THE EAST LINE OF SAID LANDS AND THE WEST RIGHT-OF-WAY LINE OF SAID COUNTY ROAD 337 TO THE INTERSECTION WITH THE EASTERLY PROJECTION OF THE NORTH LINE OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 2085, PAGE 955; THENCE WEST ALONG THE WESTERLY PROJECTION OF THE NORTH LINE OF SAID LANDS TO THE INTERSECTION WITH THE EAST LINE OF THE WEST ½ OF SAID SECTION 5; THENCE SOUTH TO THE SOUTH LINE OF SAID SECTION 5 AND BEING ON THE SOUTH LINE OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 3573, PAGE 961; THENCE WEST ALONG SAID SOUTH LINE OF SECTION 5 TO THE SOUTHWEST CORNER OF SECTION 5, TOWNSHIP 10 SOUTH, RANGE 17 EAST AND THE SOUTHEAST CORNER OF SECTION 6, TOWNSHIP 10 SOUTH, RANGE 17 EAST AND BEING THE SOUTHWEST CORNER OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 2190, PAGE 2881; THENCE NORTH ALONG THE WEST LINE OF SAID SECTION 5 AND THE EAST LINE OF SAID SECTION 6 TO THE INTERSECTION WITH THE SOUTH RIGHT-OF-WAY LINE OF STATE ROAD 26 – NEWBERRY ROAD; THENCE SOUTHWESTERLY ALONG SAID SOUTH RIGHT-OF-WAY LINE TO THE INTERSECTION WITH THE WEST LINE OF SECTION 6, TOWNSHIP 10 SOUTH, RANGE 17 EAST; THENCE NORTH ALONG THE WEST LINE OF SAID SECTION 6 TO THE NORTH RIGHT-OF-WAY LINE OF THE A.C.L. RAILROAD; THENCE EAST ALONG SAID NORTH LINE TO THE INTERSECTION WITH THE EAST LINE OF SAID SECTION 6 AND THE WEST LINE OF SECTION 5, TOWNSHIP 10 SOUTH, RANGE 17 EAST; THENCE NORTH ALONG SAID WEST LINE OF SECTION 5 TO THE INTERSECTION WITH THE WESTERLY PROJECTION OF THE NORTH LINE OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 1725, PAGE 2519; THENCE EAST ALONG SAID WESTERLY PROJECTION TO THE NORTHEAST CORNER OF SAID LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 1725, PAGE 2519; THENCE EAST ALONG THE NORTH LINE OF SAID LANDS TO THE SOUTHEAST CORNER OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 1848, PAGE 101; THENCE NORTH ALONG THE WEST LINE OF SAID LANDS TO THE NORTHWEST CORNER OF SAID LANDS; THENCE EAST ALONG THE NORTH LINE OF SAID LAND TO THE INTERSECTION WITH THE EAST LINE OF SECTION 5, TOWNSHIP 10 SOUTH, RANGE 17 EAST AND BEING ON THE WEST LINE OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 17 EAST; THENCE NORTH ALONG THE WEST LINE OF SAID SECTION 4 TO THE NORTHWEST CORNER OF SECTION 4; THENCE EAST ALONG THE NORTH LINE OF SAID SECTION 4 TO THE INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF CSX

TRANSPORTATION RAILROAD; THENCE SOUTHEASTERLY ALONG SAID WEST RIGHT-OF-WAY LINE TO THE INTERSECTION WITH THE SOUTH LINE OF SECTION 4, TOWNSHIP 10 SOUTH, RANGE 17 EAST AND BEING ON THE NORTH LINE OF SECTION 9, TOWNSHIP 10 SOUTH, RANGE 17 EAST; THENCE CONTINUE SOUTHEASTERLY ALONG SAID WEST RIGHT-OF-WAY LINE TO THE INTERSECTION WITH THE EAST LINE OF SAID SECTION 9 AND BEING ON THE WEST LINE OF SECTION 10, TOWNSHIP 10 SOUTH, RANGE 17 EAST; THENCE CONTINUE SOUTHEASTERLY ALONG SAID WEST RIGHT-OF-WAY LINE TO THE INTERSECTION WITH THE SOUTH LINE OF SAID SECTION 10 AND BEING THE NORTH LINE OF SECTION 15, TOWNSHIP 10 SOUTH, RANGE 17 EAST; THENCE CONTINUE SOUTHEASTERLY ALONG SAID WEST RIGHT-OF-WAY LINE OF CSX TRANSPORTATION RAILROAD TO THE SOUTHEAST CORNER OF THE LANDS AS DESCRIBED IN OFFICIAL RECORDS BOOK 4008, PAGE 832 AND BEING THE POINT OF BEGINNING.

**RESPONSE TO REQUEST
NUMBER 12**

*Copy of correspondence sent to Clay
Electric on October 29, 2012*

ALLISON E. FOLDS †
S. SCOTT WALKER

L. ALISON WALKER
TOSHA D. FERNANDEZ
NORMAN BLEDSOE
SONDRA RANDON

† Certified Family & Circuit
Civil Mediator

FOLDS & WALKER, LLC
ATTORNEYS AT LAW

527 EAST UNIVERSITY AVENUE
POST OFFICE BOX 1776
GAINESVILLE, FLORIDA 32627

TELEPHONE (352) 372-1282
FAX (352) 375-9960

October 29, 2012

Richard K. Davis, General Manager
Clay Electric Cooperative, Inc.
P.O. Box 308
Keystone Heights, Florida 32656

Re: The City of Newberry and Central Florida Electric Cooperative, Inc. Joint Petition to the
Florida Public Service Commission

Dear Mr. Davis:

This letter shall serve as formal notice that the above referenced parties have jointly petitioned the Florida Public Service Commission for approval of a territorial agreement between the City of Newberry and Central Florida Electric Cooperative, Inc. on or about September 21, 2012.

Very truly yours,



S. Scott Walker
City Attorney, City of Newberry

Cc: Keith Ashby, City Manager, City of Newberry
Derick Thomas, Gainesville District Manager, Clay Electric Cooperative, Inc.
John H. Haswell, Esq., General Counsel, Clay Electric Cooperative, Inc.