

Matthew R. Bernier
Senior Counsel

June 28, 2016

#### VIA ELECTRONIC FILING

Ms. Carlotta Stauffer, Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Joint Petition for approval of a territorial agreement in Polk County by City of Bartow and Duke Energy Florida, LLC; Docket No. 160148-EU

Dear Ms. Stauffer:

Please find enclosed for electronic filing the City of Bartow and Duke Energy Florida, LLC's Joint Response to Staff's First Data Request (Nos. 1-8).

Thank you for your assistance in this matter. Please feel free to call me at (850) 521-1428 should you have any questions concerning this filing.

Respectfully,

s/Matthew R. Bernier
Matthew R. Bernier

MRB/mw

Enclosures

cc: Walter Trierweiler (wtrierwe@psc.state.fl.us)

Sean R. Parker (srp@bosdun)

George A. Long (psams.cm@cityofbartow.net)

# CITY OF BARTOW AND DUKE ENERGY FLORIDA, LLC'S JOINT RESPONSE TO STAFF'S FIRST DATA REQUEST REGARDING THE JOINT PETITION FOR APPROVAL OF TERRITORIAL AGREEMENT IN POLK COUNTY BY CITY OF BARTOW AND DUKE ENERGY FLORIDA, LLC DOCKET NO. 160148-EU

1. Please provide a copy of an official Florida Department of Transportation General Highway County map for each affected county depicting boundary lines established by the territorial agreement, as required by Rule 25-6.0440(1)(f), Florida Administrative Code.

#### **Response:**

Polk County is attached as Attachment 1.

2. Please list any differences between the prior agreement which expired on June 12, 2016, and the proposed agreement.

#### **Response:**

The territorial boundaries in the proposed Agreement have remained the same as those set forth in the prior Bartow and DEF<sup>1</sup> territorial agreement approved by the Commission in Docket No. 851006-EU.

The territorial boundary maps in the proposed agreement have been updated to a GIS format and demonstrate the territorial boundary lines in much greater detail. A written description is included in the proposed agreement as required pursuant to Rule 25-6.0440(1)(a), F.A.C.

The proposed Agreement has been negotiated for a term of 30 years and after the expiration of that term, the Agreement shall remain in effect until and unless either Party provides written notice of termination. The prior agreement had a duration of 30 years.

<sup>&</sup>lt;sup>1</sup> The Territorial Agreement was entered into between the City of Bartow and DEF's predecessor, Florida Power Corporation.

3. Are the territorial boundary lines in the proposed agreement the same as in the prior agreement which expired on June 12, 2016? If not, please provide a map showing the areas transferred.

#### **Response:**

Yes, the territorial boundaries in the proposed Agreement remain the same as in the prior agreement.

4. Please provide a map that displays the extra-territorial customers before and after the transfer.

#### **Response:**

There are no modifications to the territorial boundary lines displaying the extra-territorial customers between the prior agreement and the proposed agreement. However, the territorial boundary lines in the proposed agreement have been updated to a GIS format and demonstrate the territorial boundary lines in much greater detail. The territorial boundary maps as set forth in the prior Bartow and DEF territorial agreement approved by the Commission in Docket No. 851006-EU are attached as Attachment 2. The more detailed map showing the proposed territorial boundary lines is attached as Attachment 3.

5. Are the parties abiding by the terms of the prior agreement for the period of time between its expiration and Commission approval of the new agreement? If not, please explain.

#### **Response:**

Yes, the Parties have been abiding by the terms of the prior agreement and have worked together collaboratively to construct the proposed Agreement.

6. Please refer to Attachment A of the petition, Section 1.6 (Extra-Territorial Customers): please explain why certain customers (i.e., extra-territorial) are located within the service territory of the other party.

#### Response:

Due to the location of the Extra-Territorial customers that are subject to transfer to Bartow, and based on sound economic considerations and good engineering practices, it was not operationally and economically feasible for Bartow to serve these customers previously. However, DEF and Bartow have concluded that Bartow will now serve these customers should the proposed Agreement be approved.

7. Is it the intent of Duke and Bartow to exchange and/or purchase any facilities pursuant to Section 3.3 (Compensation of Related Service Facilities) of the proposed agreement? If so, please provide an estimate of the purchase price.

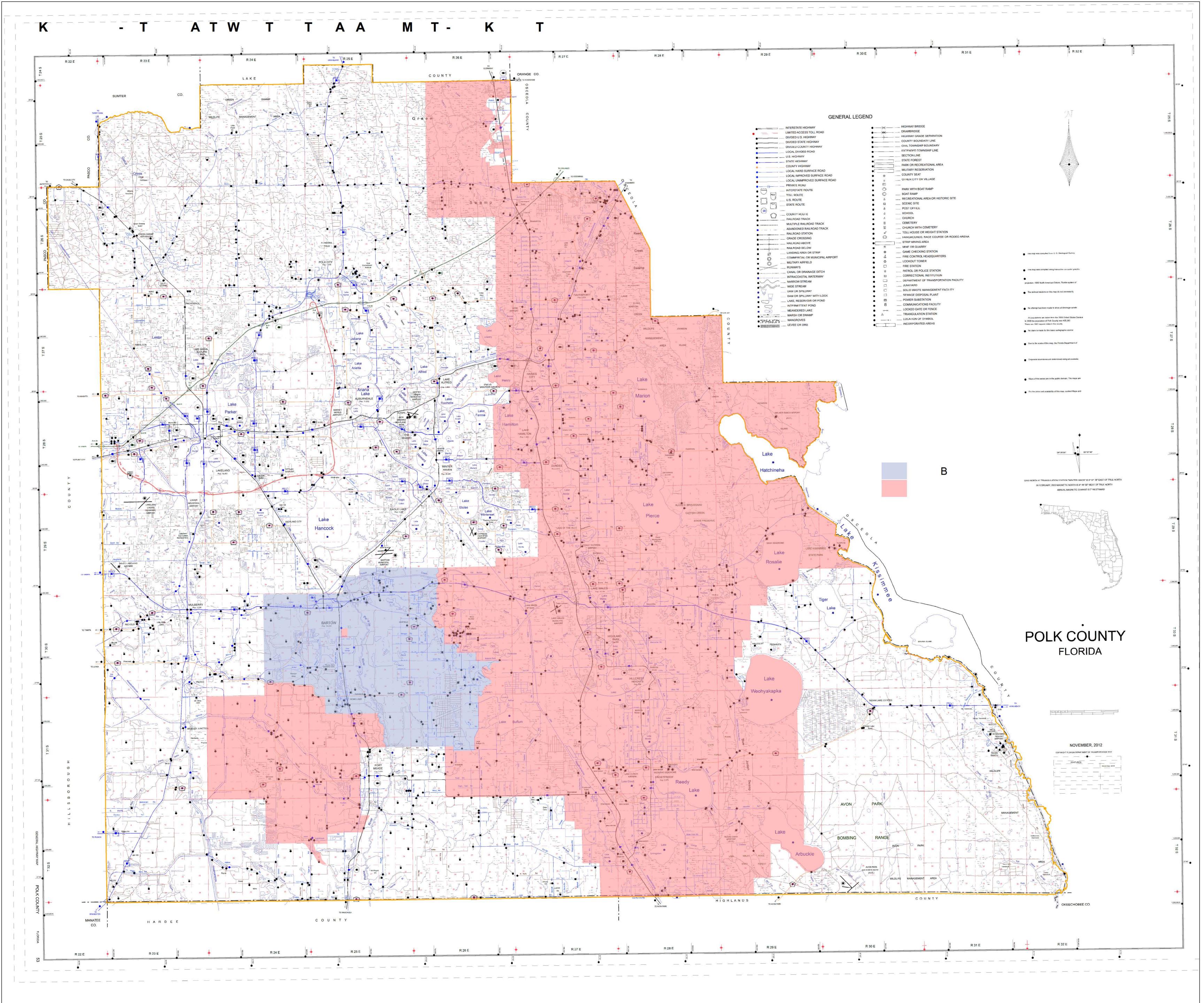
#### **Response:**

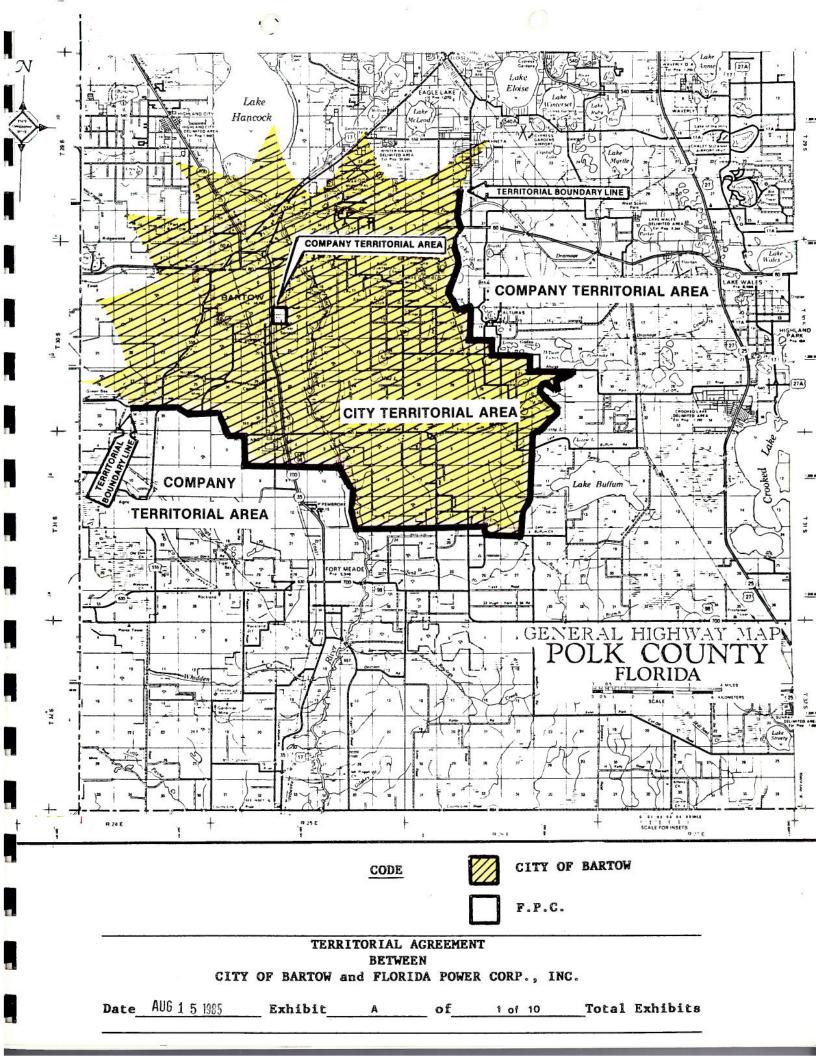
As set forth in <u>Section 3.3 Compensation for Transferred Facilities</u>, Bartow may elect to purchase the electric facilities used exclusively for providing electric service to the Extra-Territorial customers using a common engineering cost estimation methodology such as the Handy Whitman Index. At this time, the Parties do not plan to exchange and purchase the required facilities. If the proposed Agreement is approved and should the Parties agree to exchange facilities, the Parties will value the facilities as soon as practical.

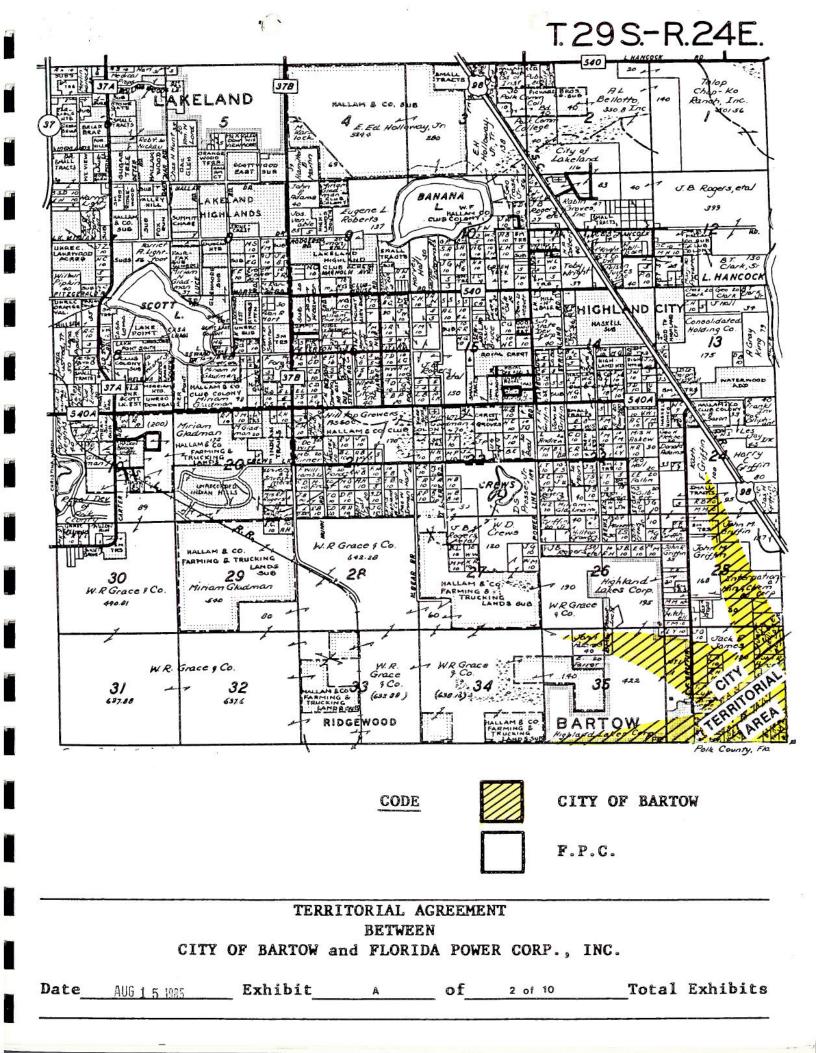
8. Please provide a discussion as to why the agreement includes the transfer of two customers from DEF to Bartow

#### **Response:**

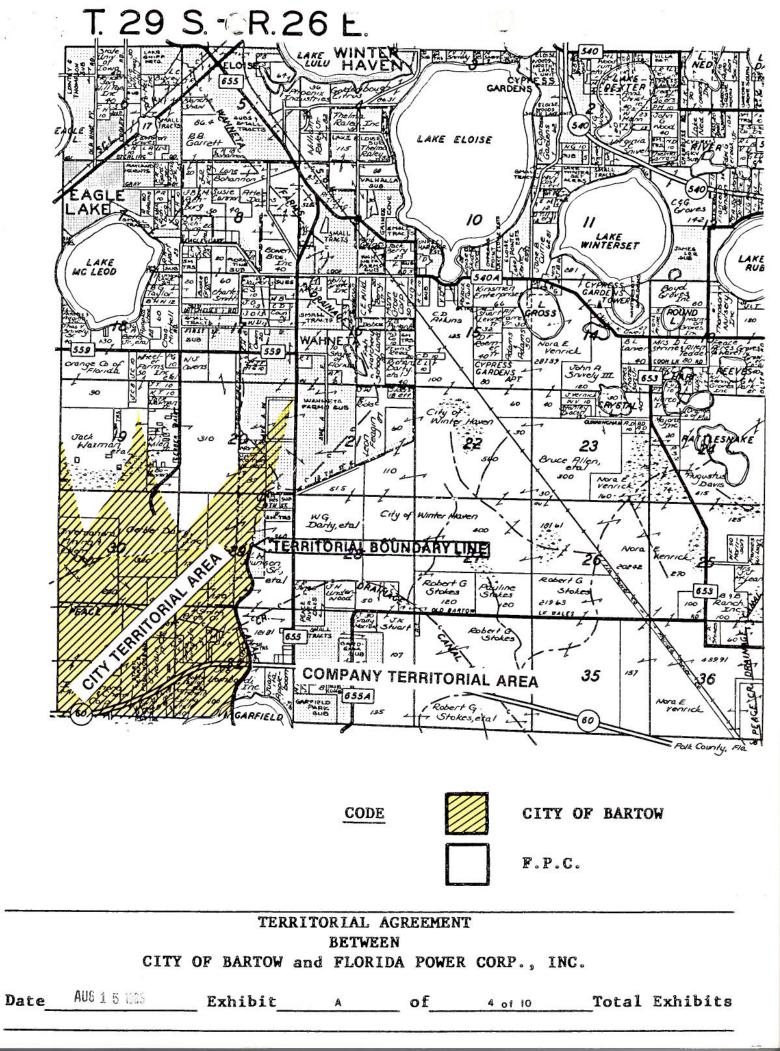
During the in-field due diligence process to determine if there are any encroachments by one utility into the service territory of the other utility, two customers were discovered within Bartow's service territory but being served by DEF. DEF and Bartow have concluded that Bartow will now serve these customers should the proposed Agreement be approved.







T. 29 S.-R.25 E. U.S.S. Realty EAGLE USS Realty 380 CITY TERRITORIAL AREA CITY OF BARTOW CODE F.P.C. TERRITORIAL AGREEMENT BETWEEN CITY OF BARTOW and FLORIDA POWER CORP., INC. Date AUG 1 5 1985 Exhibit A of 3 of 10 Total Exhibits



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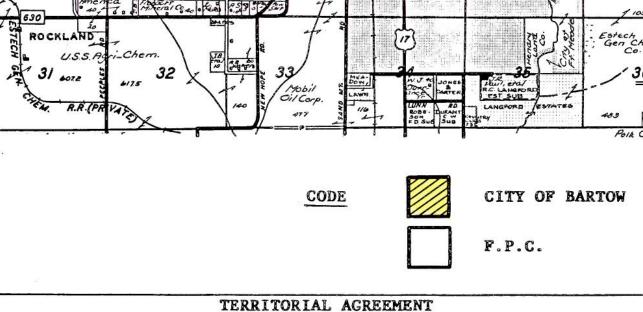
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BETWEEN CITY OF BARTOW and FLORIDA POWER CORP., INC.

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TERRITORIAL BOUNDARY LINE

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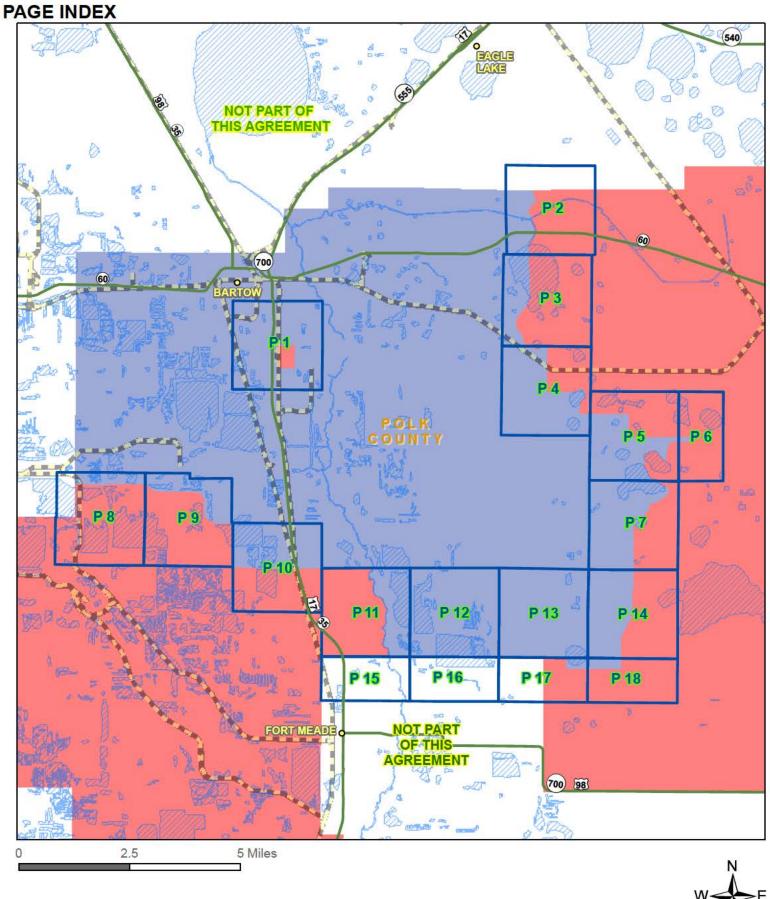
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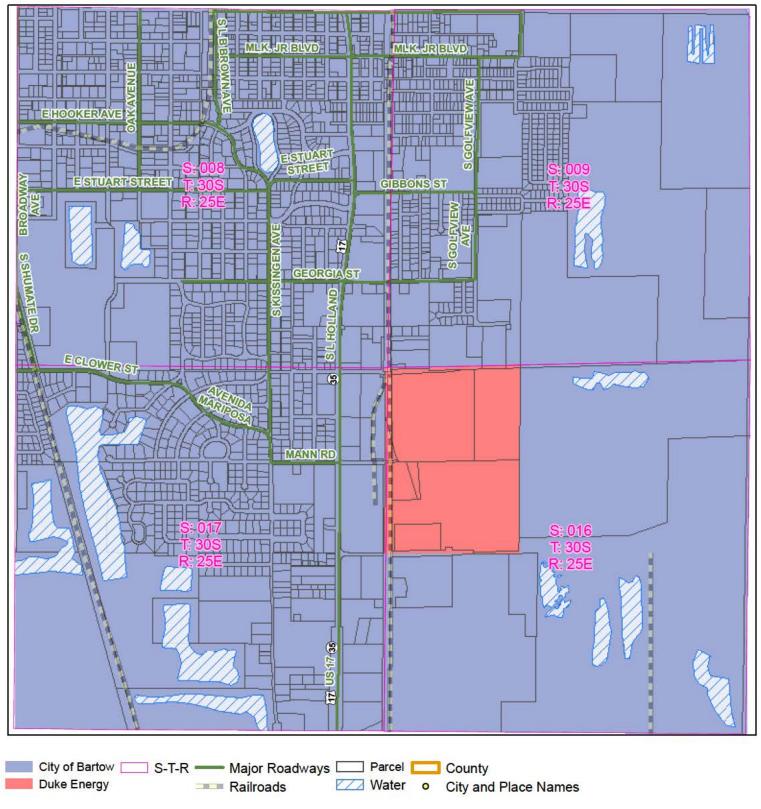


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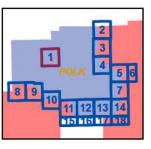
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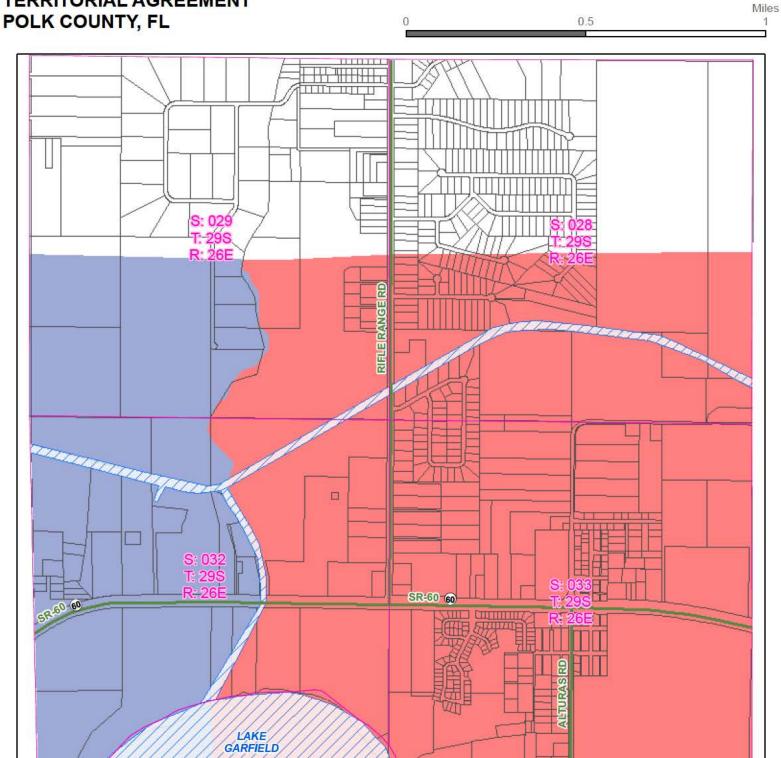
City of Bartow — Major Roadways — Page //// Water

Duke Energy Railroads



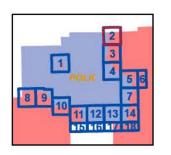


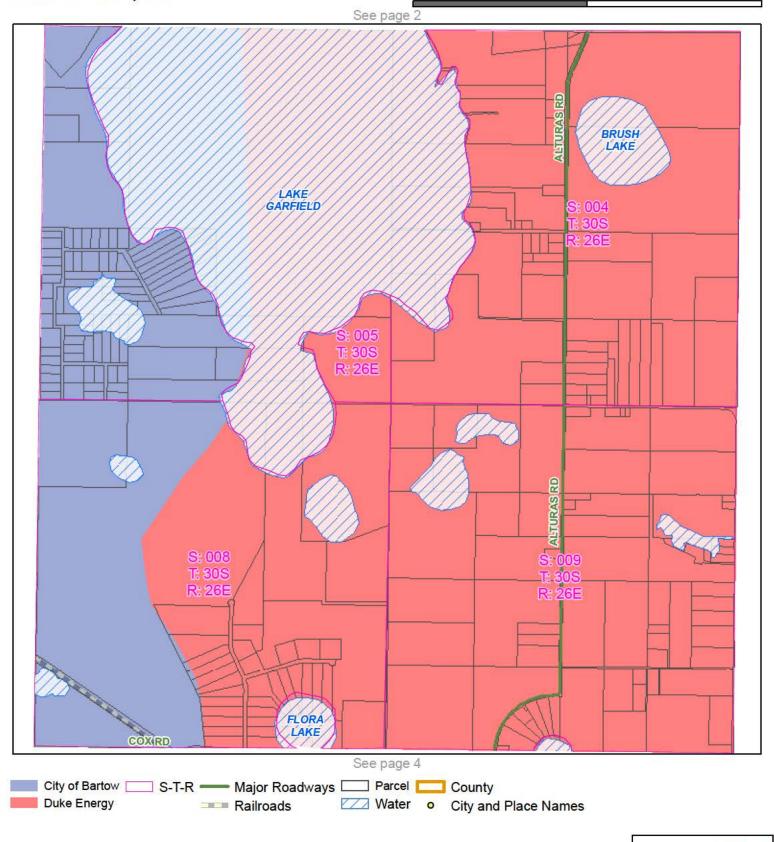




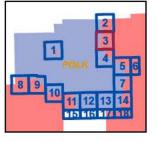






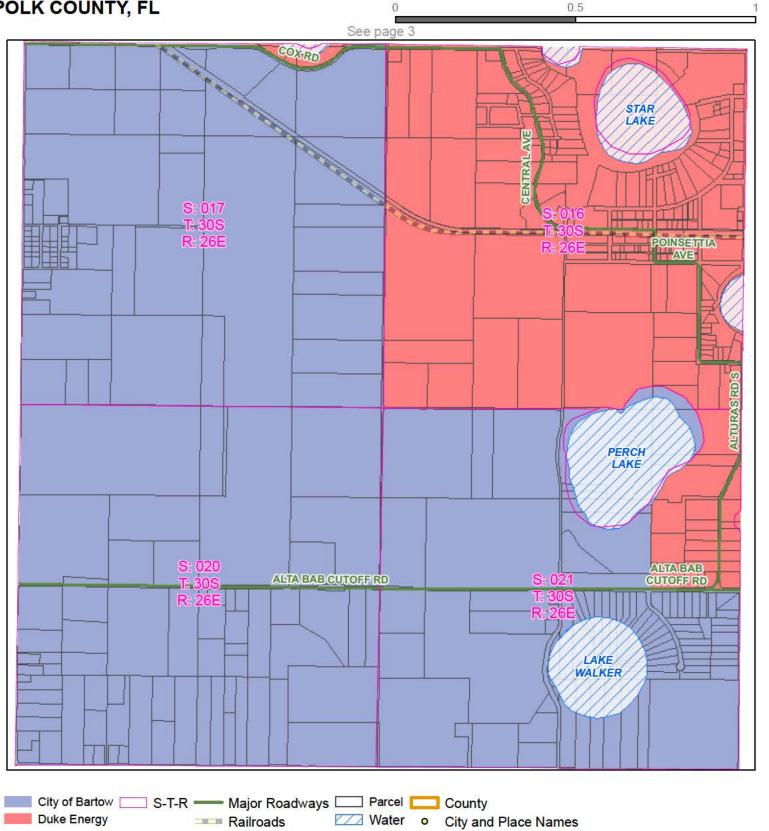




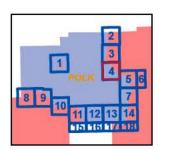


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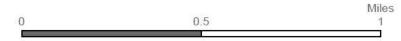
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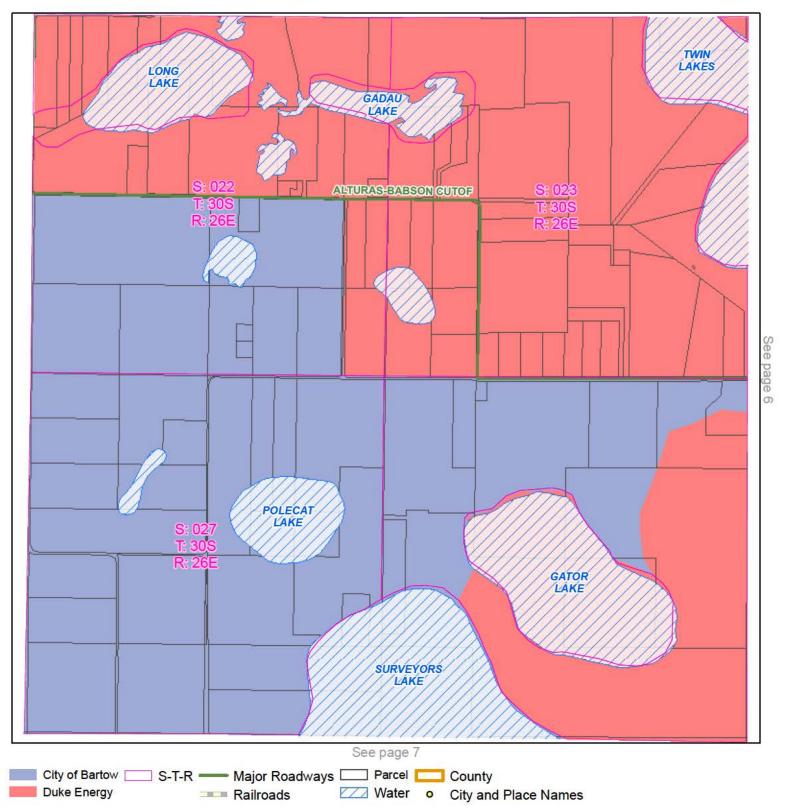




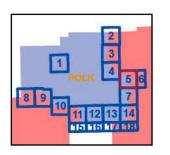


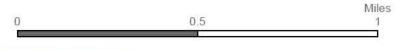
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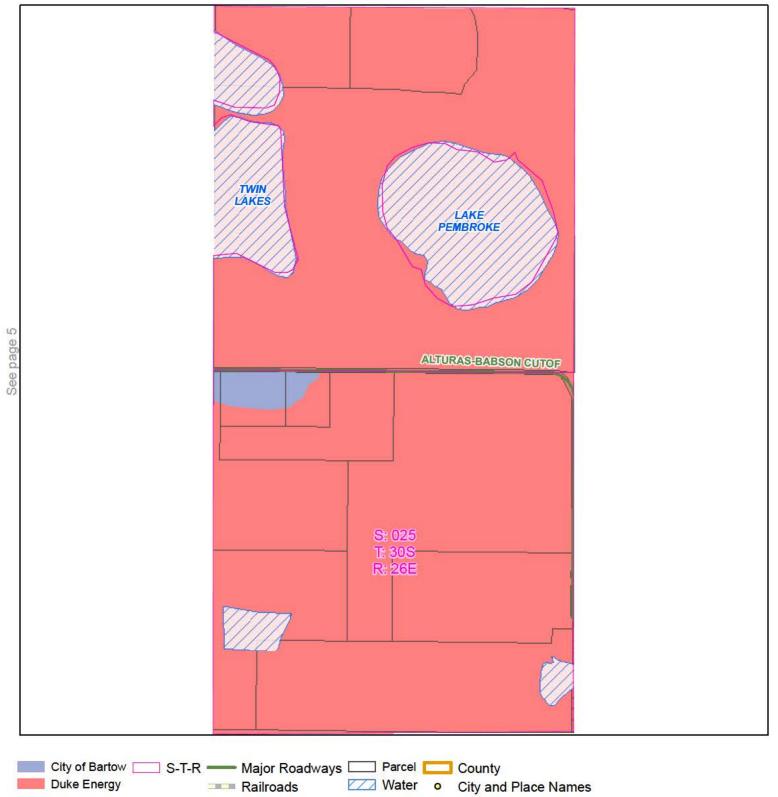




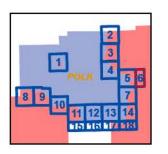


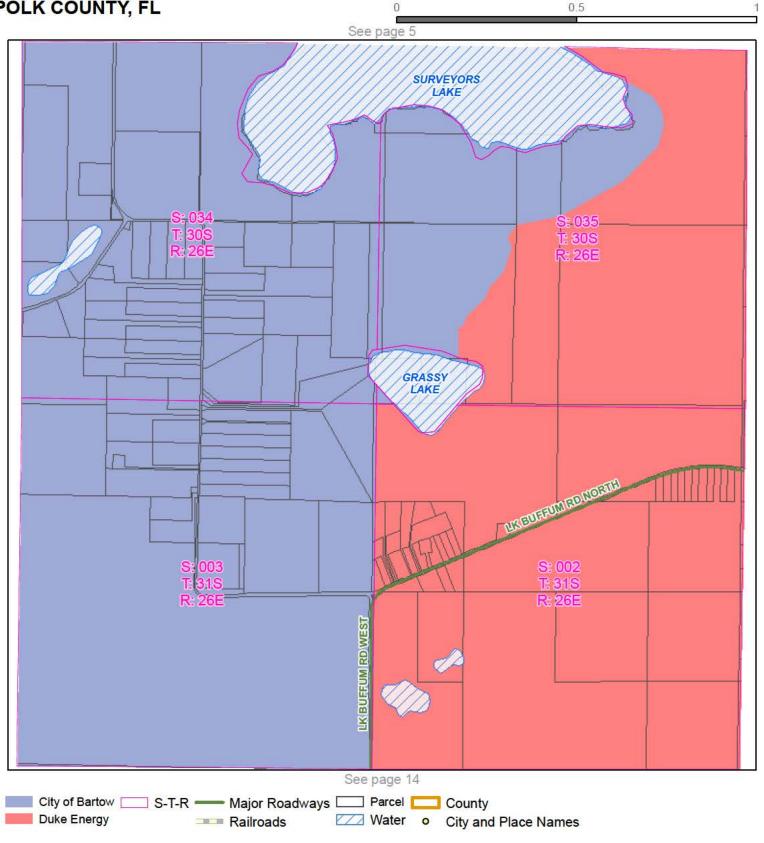




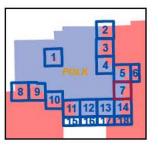












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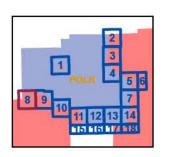




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City of Bartow S-T-R — Major Roadways — Parcel — County

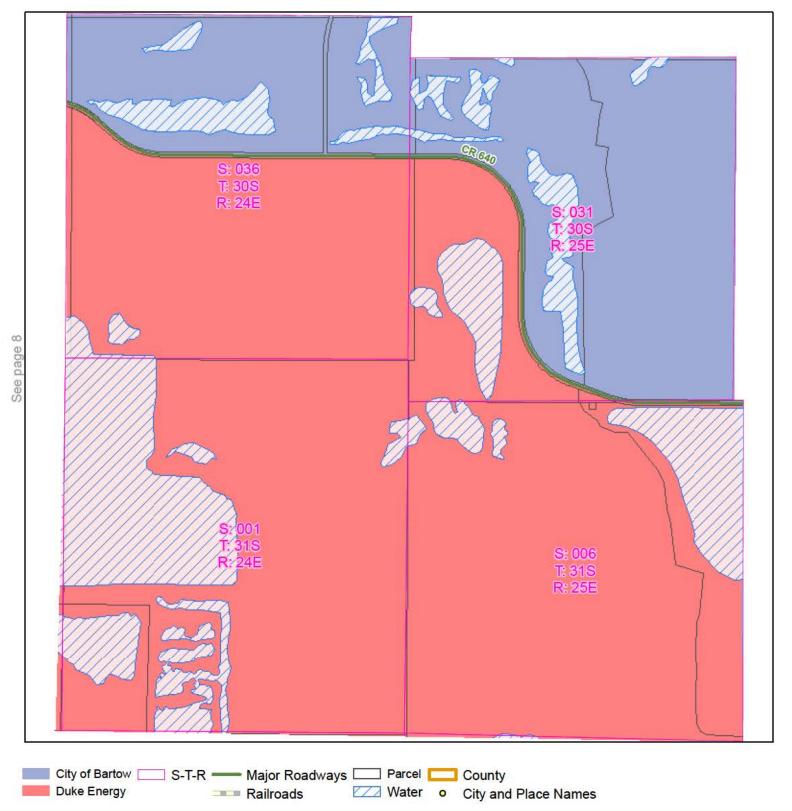
Railroads



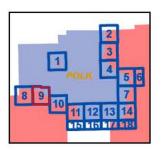
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Duke Energy

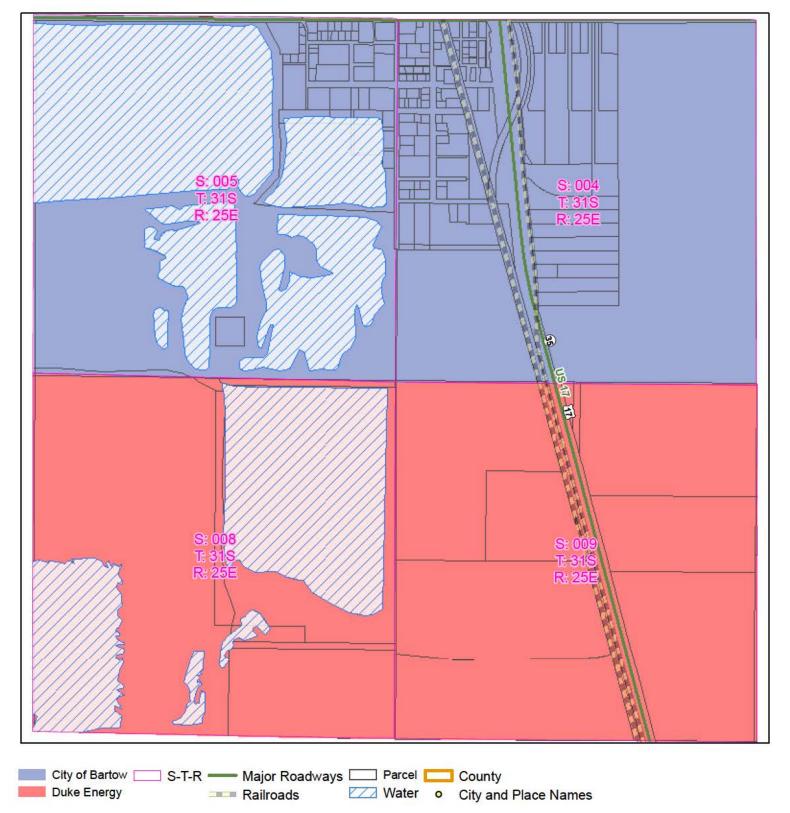




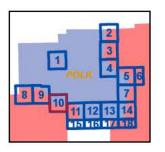


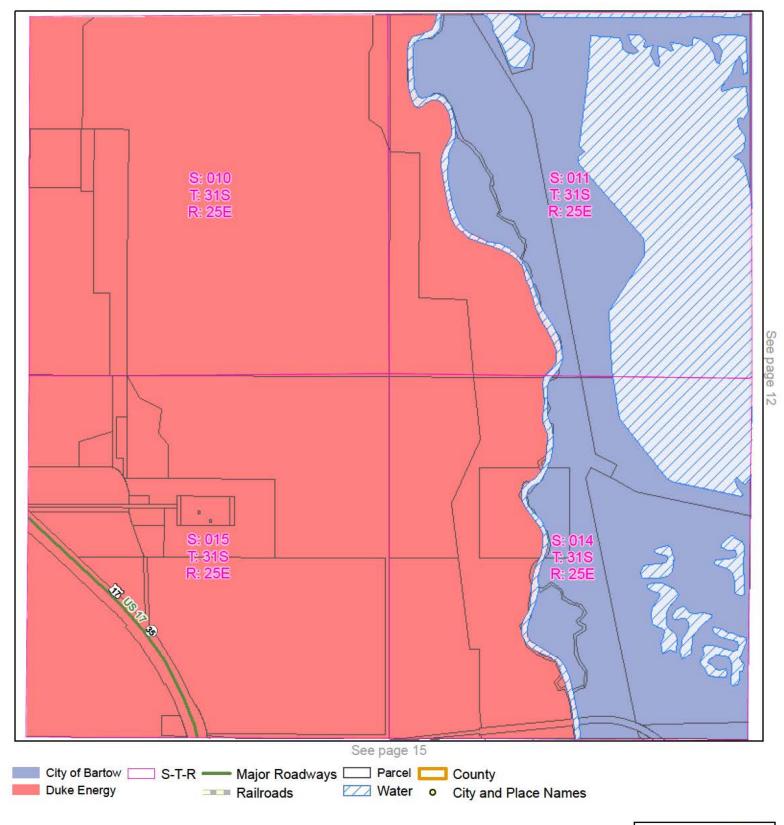




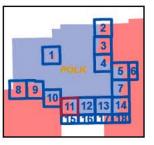


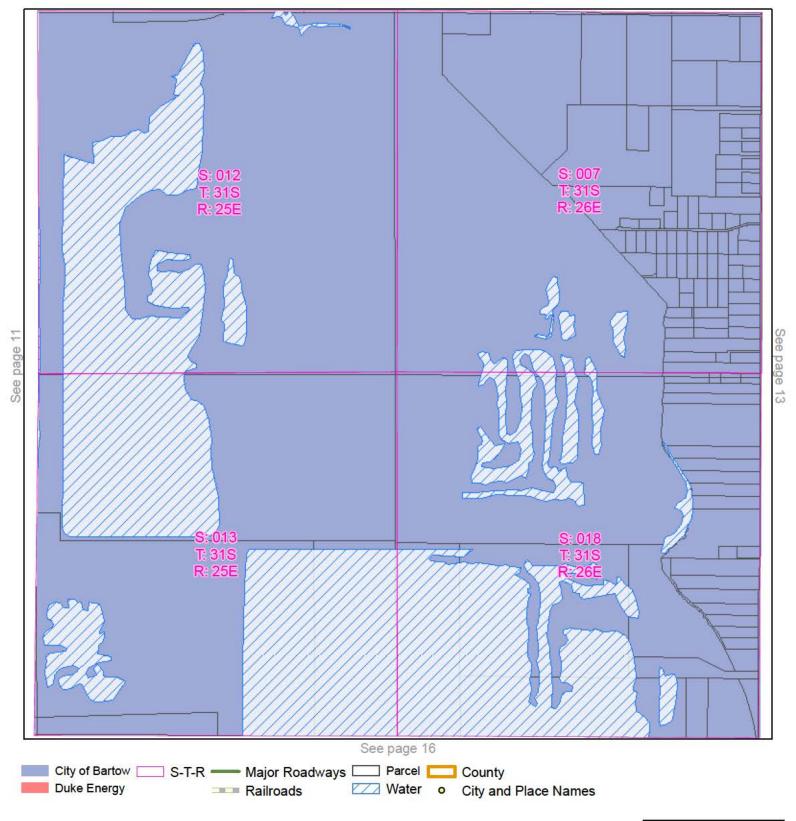




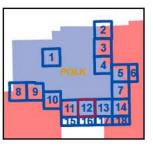












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