

Matthew R. Bernier Senior Counsel

August 31, 2017

#### **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 amended territorial agreement in Orange and Osceola

Counties by Duke Energy Florida, LLC and Reedy Creek Improvement District; Docket

No. 20170175-EU

Dear Ms. Stauffer:

Please find enclosed for electronic filing, Reedy Creek Improvement District and Duke Energy Florida, LLC's Joint Response to Staff's First Data Request.

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,

<u>s/ Matthew R. Bernier</u> Matthew R. Bernier

MRB/mw

Enclosures

cc: Suzanne Ollila (sollila@psc.state.fl.us)

Danijela Janjic (djanjic@psc.state.fl.us)

John McGowan (john.m.mcgowan@disney.com)

# DUKE ENERGY FLORIDA, LLC AND REEDY CREEK IMPROVEMENT DISTRICT'S JOINT RESPONSE TO STAFF'S FIRST DATA REQUEST (NOS. 1 - 7) Docket No. 20170175-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 (F.A.C.).

#### RESPONSE

Please see the Florida Department of Transportation General Highway County maps included as Attachment 1.

2. Referring to paragraph 4 of the petition, please confirm that 1994 is the beginning date of the existing agreement.

#### **RESPONSE**

The existing agreement dates to 1987 and was amended in 1994 and again in 2010. By way of background, in Order No. 18225, issued September 30, 1987, the Commission approved a territorial agreement between RCID and Florida Power Co. (now DEF). On January 18, 1994, RCID and DEF (then Florida Power Company) filed a joint petition for an amendment to the 1987 agreement. The Parties are currently operating in Orange and Osceola Counties under the existing territorial agreement between RCID and DEF that was approved by the Commission in Order No. PSC-94-0580-FOF-EU on May 17, 1994, and amended by Order No. PSC-10-0206-PAA-EU, issued April 5, 2010, in Docket No. 090530-EU.

3. Do the parties intend to abide by the terms of the existing agreement for the period of time between its September 30, 2017 expiration and Commission approval of the proposed amended agreement? If not, please explain.

#### **RESPONSE**

Yes, the Parties have worked together collaboratively to construct the proposed Agreement and intend to abide by the terms of the existing agreement until such time that the Commission can approve the proposed amended agreement.

4. Referring to the last paragraph on page 3 of the petition, please list and explain any differences between the existing agreement and the proposed amended agreement.

#### **RESPONSE**

The territorial boundaries in the proposed Agreement have been modified to reflect three areas that have been de-annexed, in comparison to those as set forth in the existing territorial agreement approved by the Commission in Order No. PSC-94-0580-FOF-EU on May 17, 1994.

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 also included in the proposed agreement as required pursuant to Rule 25-6.0440(10(a), F.A.C.

The existing territorial agreement was approved by the Commission in Order No. PSC-94-0580-FOF-EU for a duration of 23 years. 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 termination of no less than twelve months prior to the date of termination.

5. Rule 25-6.0440(2)(b), F.A.C., includes the standard that there is a "reasonable likelihood that the agreement, in and of itself, will not cause a decrease in the reliability of electrical service to existing or future ratepayers." Please address this with regard to your proposed amended agreement.

#### **RESPONSE**

The Parties have worked collaboratively to construct the proposed Agreement and believe the Agreement is in the public interest as it furthers the goals of avoiding duplication of services and wasteful expenditures, achieving operational efficiency, as well as protecting the public health and safety from potentially hazardous conditions. An important part of the process in constructing and reviewing the proposed territorial agreement is an engineering review. The Parties would not have entered into an agreement that they believed, based on the results of their reviews, would cause a decrease in the reliability of service to customers. There are no customer transfers associated with this proposed Agreement that would cause undue hardship on the customers.

6. Is it the intent of Duke or RCID to purchase any facilities from each other? If yes, please provide an estimate of the purchase price.

#### **RESPONSE**

Should the proposed Agreement be approved, the Parties do not intend to purchase any facilities from each other. There are no customer transfers associated with this proposed agreement that would require the purchasing and transfer of facilities.

- 7. Please refer to paragraph 6 of the petition for the following questions:
  - a. Are the parties seeking approval of the modifications listed in this paragraph in the proposed amended agreement? Please explain.
  - b. If any of the modifications listed in this paragraph have already been approved by the Commission, please provide the order number for each approved modification.
  - c. Please provide a map that displays the areas listed in this paragraph before and after the modifications described in this paragraph.

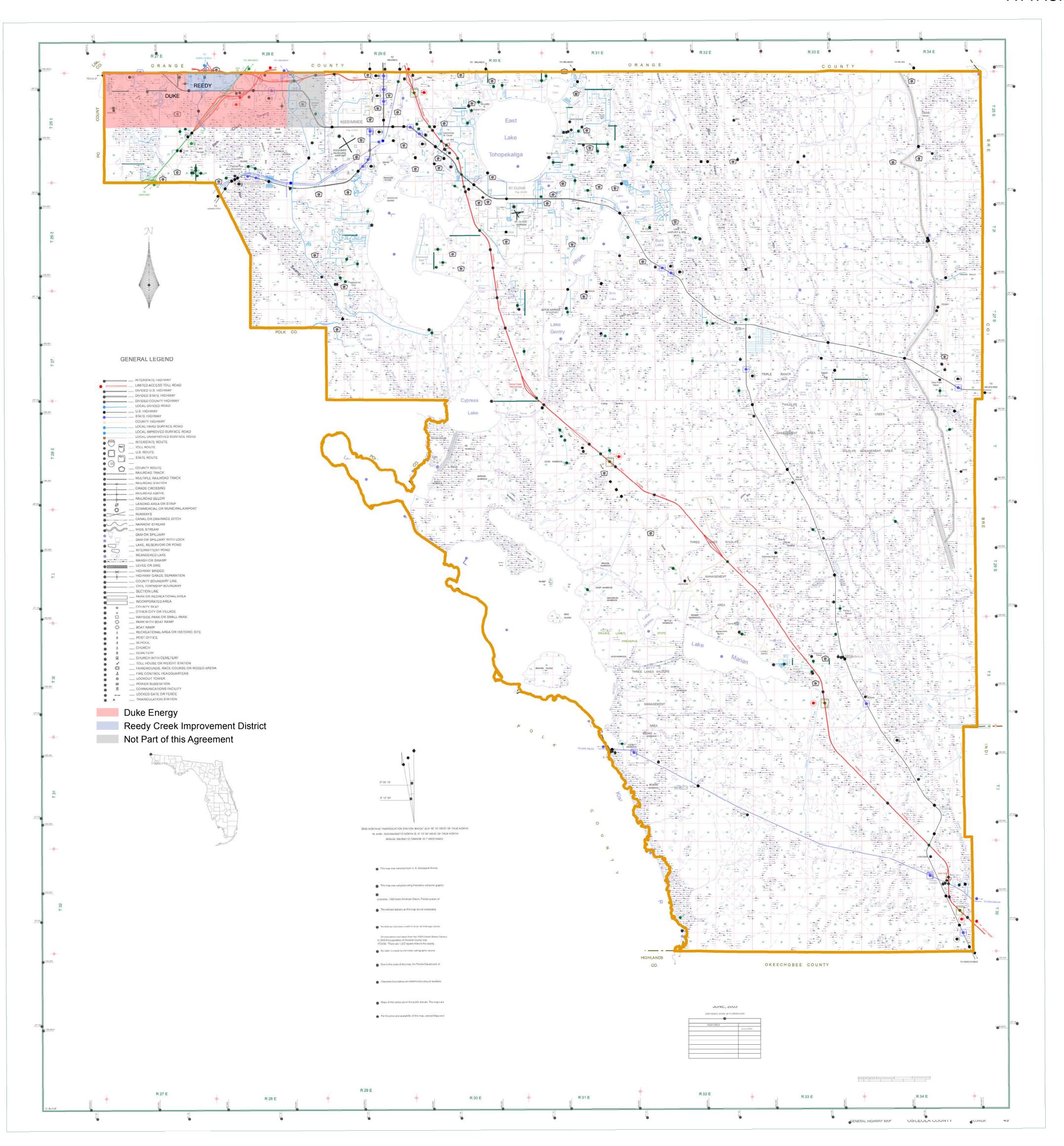
#### **RESPONSE**

- a. Yes, the Parties seek approval for the areas RCID de-annexed from the RCID political boundary:
  - (i) the Black Lake parcel on June 12, 2008;
  - (ii) an area in the vicinity of I-4 and Osceola Parkway on January 31, 1996.

The Parties also seek approval of the territorial boundary modification for the area in the vicinity of CR535 and Apopka Vineland Road that is in the RCID political boundary and served by RCID. This area was previously shown as being served by DEF.

Pursuant to its charter, RCID cannot furnish retail electric power outside of its political boundary and therefore, the Parties seek approval for the modification of these territorial boundary lines.

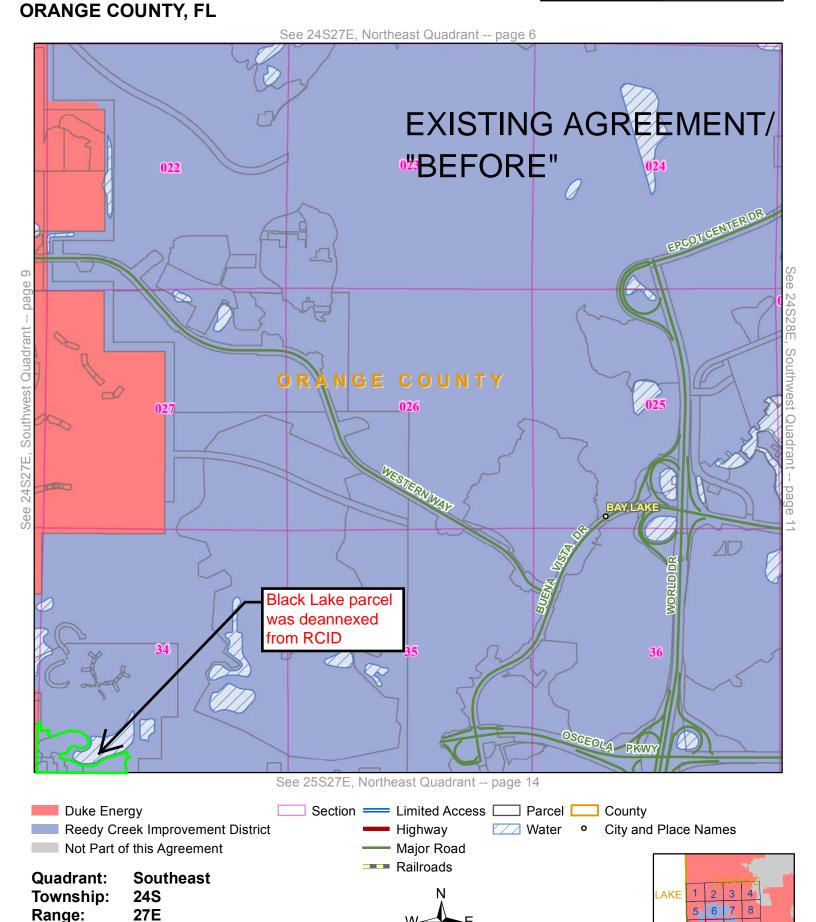
- b. None of the above stated de-annexations have been previously approved by the Commission.
- c. Please see the map that displays the areas listed in this paragraph before and after the modifications described in this paragraph included as Attachment 2.



ATTACHMENT 2

0.5

Miles
1



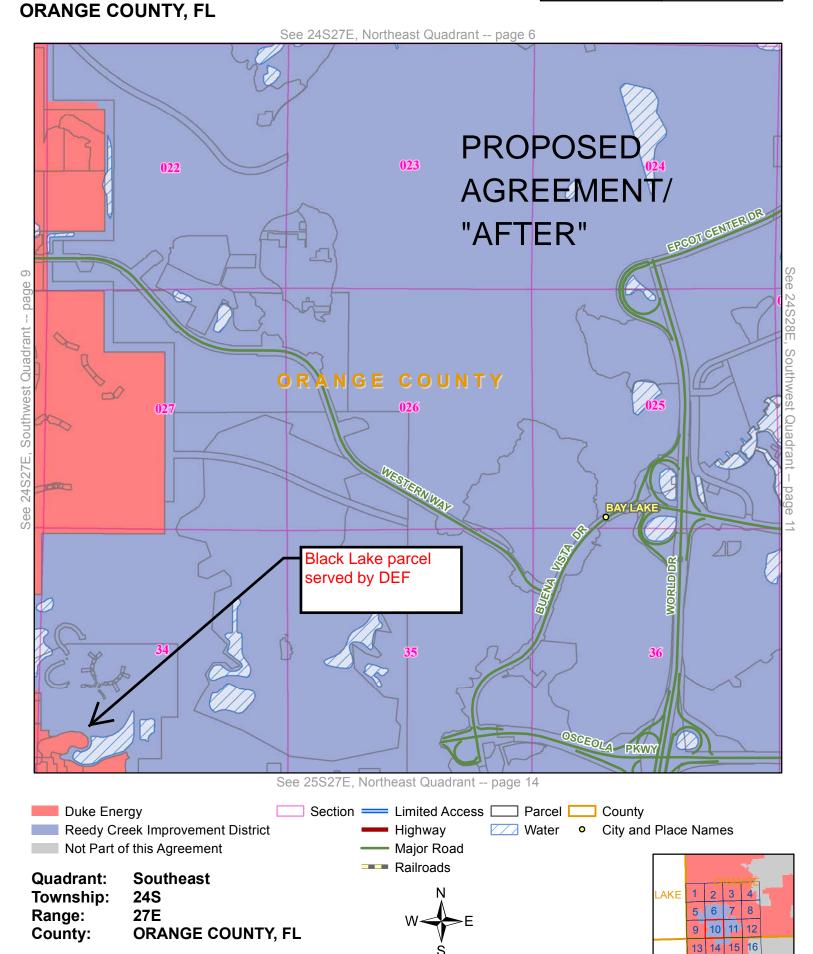
County:

**ORANGE COUNTY, FL** 

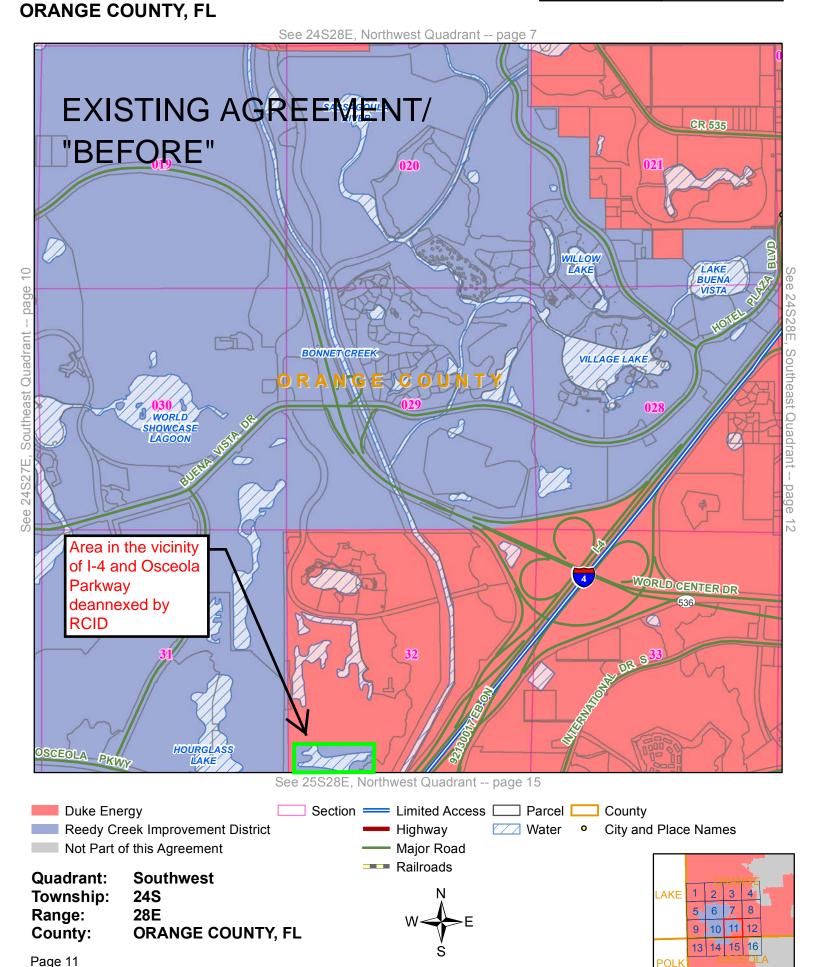
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Miles

TERRITORIAL AGREEMENT



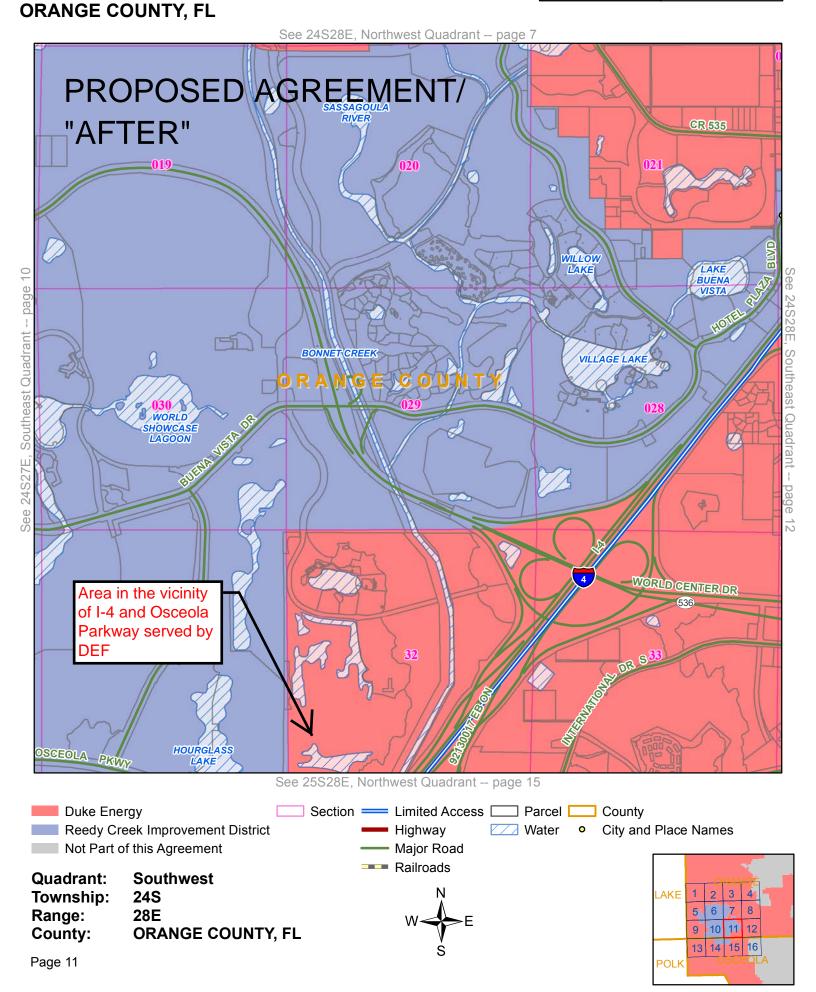
ATTACHMENT 2 Miles



ATTACHMENT 2

0.5

Miles
1



ATTACHMENT 2

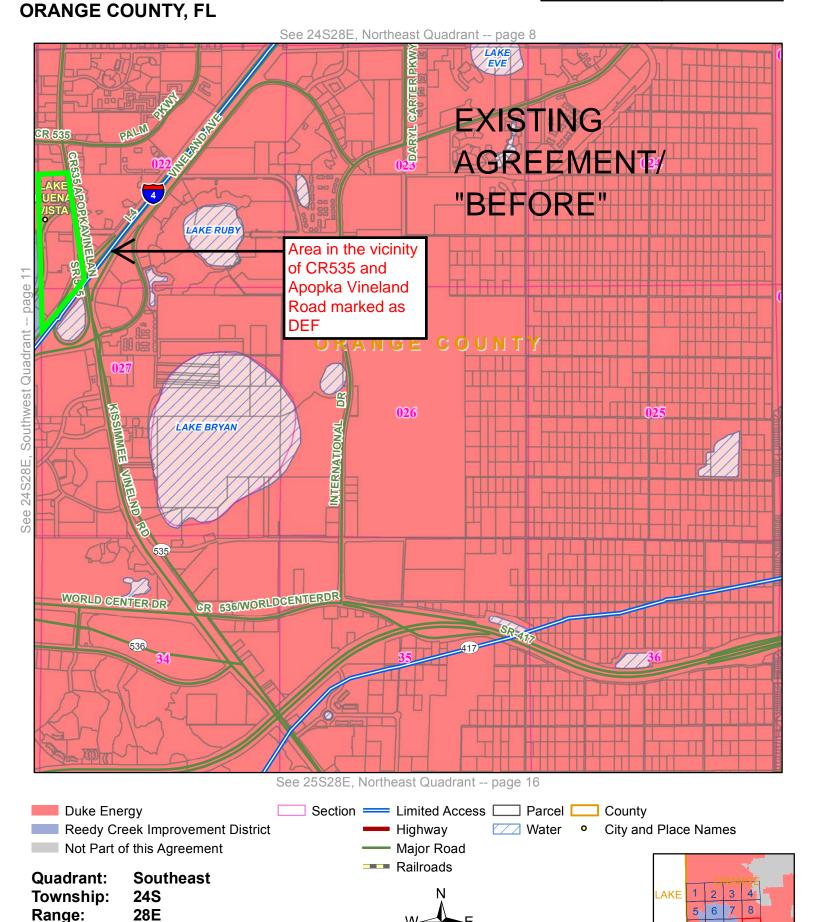
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Miles

10 11 12

13 14 15 16

POLK



County:

**ORANGE COUNTY, FL** 

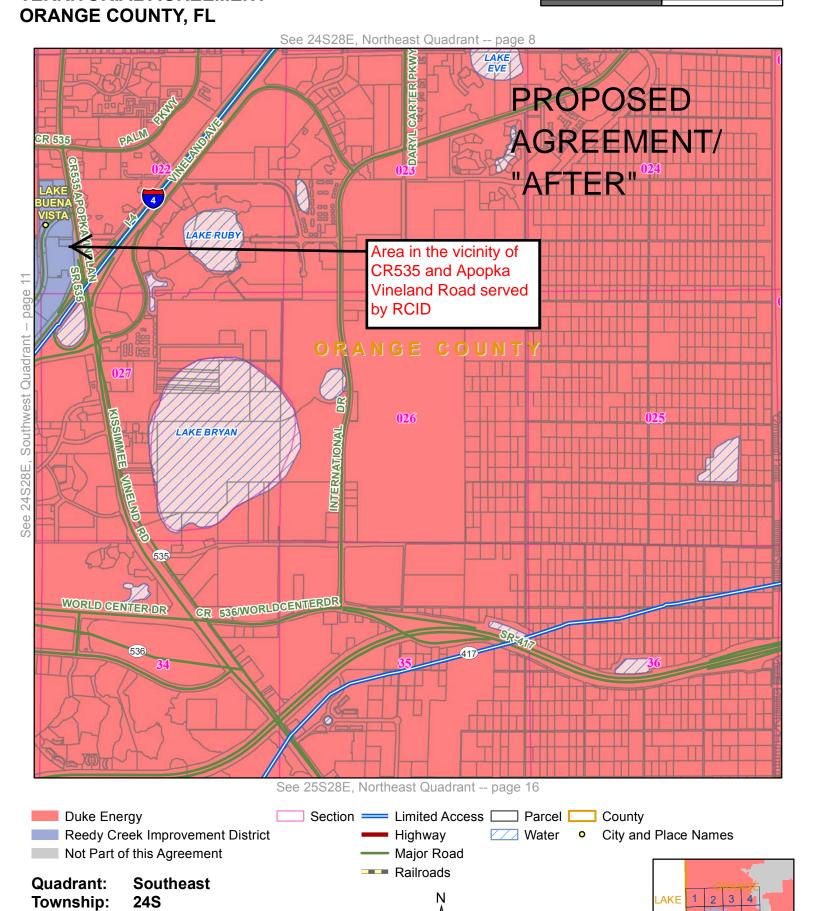
ATTACHMENT 2

Miles

9 10 11 12

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POLK



Range:

County:

28E

**ORANGE COUNTY, FL**