BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL FILE COPY

IN RE: TERRITORIAL DISPUTE BETWEEN CLAY ELECTRIC COOPERATIVE, INC. AND FLORIDA POWER CORPORATION IN ALACHUA COUNTY. DOCKET NO. 900064-EU

ON BEHALF OF CLAY ELECTRIC COOPERATIVE, INC.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Territorial Dispute Between
Clay Electric Cooperative, Inc.,
and Florida Power Corporation, In
Alachua County.

Docket No. 900064-EU

DEPOSITION

Pursuant to due notice, the deposition of JOSEPH T. CLAYTON, JR., was taken by the Petitioner before Donna L. Alexander, court reporter and Notary Public, State at Large, at Route 2, Box 12, Archer, Florida commencing at 11:00 a.m. on Tuesday, April 17, 1990.

18 APPEARANCES:

JOHN H. HASWELL, ESQUIRE, P.O. Box 23879, Gainesville, Florida 32602, Counsel for the Petitioner.

PAMELA I. SMITH, ESQUIRE, P.O. Box 14042, St. Petersburg, Florida 32301, Counsel for the Respondent.

Also Present: Jim L. Troke, Florida Power Corporation

INDEX PAGE WITNESS: DIRECT CROSS JOSEPH T. CLAYTON, JR., EXHIBITS Petitioner's Exhibit No. 1 (Phase I diagram) Petitioner's Exhibit No. 2 (Phase II diagram) STIPULATIONS It is stipulated and agreed by and between counsel for the respective parties as follows: All objections, except as to form of the question, be reserved until hearing on the same or until trial.

1	Thereupon, JOSEPH T. CLAYTON, JR., being							
2	first duly sworn, testified as follows:							
. 3	DIRECT EXAMINATION							
8	BY MR. HASWELL:							
5	Q. State your full name, please, sir.							
6	A. Joseph T. Clayton, Jr.							
7,	Q. Your business address?							
8	A. Route 10, Box 319, Lake City.							
9	Q. What is your occupation?							
10	A. I'm a vice-president with Patton							
11	Corporation, Gulf Atlantic in charge of acquisitions.							
12	Q. Mr. Clayt , my name is John Haswell, and							
13	I represent Clay Electric Cooperative, Inc. You and I							
14	have discussed this case before.							
15 ,	I'm going to be asking you some questions							
16	about a piece of property down near Archer. If I ask							
17	you a question that you don't understand, let me know							
18	and I'll try to clarify it.							
19	A. Okay.							
20	Q. Does the Patton Corporation own a piece of							
21	property just north of the town of Archer?							
22	A. Correct.							
23	Q. And that's known as Marchant Meadows?							
24	A. Right.							
25	Q. Can you tell us, sir, when Patton							

1 Corporation acquired that property, just a rough 2 guess? We closed on it in -- gosh, I think it was 3 it was either September or October of '89. Q. And prior to closing on it, had you been out on the property and done some surveying or market analysis, things like that? A. Yes, several times. Okay. And would that have been several Q. 10 months prior to the closing? 11 A. Correct. 12 Q. Do you re smber who you bought the 13 property from? Yeah. We bought it from the Marchant 14 family. It was William Oren Marchant, James Carl 15 16 Marchant, and Sara Marchant. Q. Did they own the -- this property is at 17 the intersection of 241 and US 41? 18 19 Right. Q. Let's see. I'm going to show you a 20 diagram that is a township map of this area and ask if 21 the property I'm identifying as owned by Sara 22 Marchant, J.C. Marchant, and W.O. Marchant; is that 23 24 generally where this property is located?

That is right.

1	Q. Now Marchant Meadows did not acquire all					
2	the property; you left some in this little triangle					
3.	down here at the south end of the property?					
4	A. Right. I think there was about 15 acres					
5	that was left out.					
6	Q. And the Marchants continue to own that					
7	property?					
8	A. As I understand. I haven't had any more					
9	dealings with them. I understand they do.					
10	Q. Do you recall whether there's a house or					
11	any facilities on that property?					
12	A. Yes, then 's a couple houses there.					
13.	Q. Do you know offhand who serves electric					
14	service to those houses?					
15	A. I don't have any idea.					
16	Q. Okay. When you were doing your market					
17	analysis, did that include determining what utilities					
18	were available?					
19	A. Yes.					
20	Q. What utilities were generally available to					
21	this area in terms of water, sewer, and electric?					
22	A. Water was individual wells; septics,					
23	individual septics; no cable TV. The only thing was					
24	just electrical service and garbage by the City of					
25	Gainesville, I think.					

Which electric utility did you contact 1 regarding service to the site? 2 3 We contacted Clay Electric and Florida Power Corporation. Do you remember who you contacted first? I had a gentleman working for me. His name was Billy Woodington (phonetic). He was an 7 acquisition representative. He started working on the 8 deal initially, and through conversations between the two of us I believe he had contacted Clay Electric 10 11 initially. 12 Q. Okay. That was his initial contact. 13 Have you ever had any other dealings with 14 Q. 15 Clay Electric? 16 A. Numerous times. In Columbia County? 17 Q. 18 A. Yes. Have those been satisfactory dealings? 19 Q. 20 Very much so. A. Have you ever had any problem with the 21 Q. service they provided? 22 23 No, none at all. Did you have occasion to talk to a Steve 24 Q.

Law (phonetic) from Clay Electric?

1 Yes. Did you and Steve go out and walk the site about where easements were to be located? 3 No. I was down on the property one day, A. and I can't recall the date, but I met Steve driving along Southwest 22nd Avenue. And this was after 7 possibly Billy had talked to him about serving the 8 property. Q. Billy Woodington? 10 Yes. I know Steve had a copy of the plat. 11 We had changed some of the numbers, and he and I 12 stopped in the roac and we talked about it because he 13 was having some confusion about finding out where the lot numbers were. 14 15 Southwest 22nd, that's the northern Q. 16 boundary road --17 λ. Correct. 18 -- that runs east and west? Q. 19 A . Right. 20 And what was your conversation that you 21 had with Steve Law? Did that include location of 22 poles or easements? 23 I can't recall exactly. I think we possibly talked generally about where easements would 24

be, you know. I don't recall the exact conversation.

- Q. But the gist of the conversation was how Clay would provide service to the site?
 - A. Right.
- Q. Did the question of a location of a pole in relation to your plat for the subdivision come up?
- A. Yeah. We had -- There was a pole that was located inbetween two lots or it was right in the middle of the driveway that we were going to construct that the county was requiring us to construct. And, you know, I don't even know which two lots it is.

But I had -- Stacy Hall with Alachua

County Surveyors wa. the surveying firm that handled
the survey work down there. Stacy was doing a lot of
legwork, so to speak, for me, and I asked him to
contact Clay Electric to move the power pole because I
just assumed that the pole was Clay Electric's.

I was not aware that Steve was handling all this type of work for Clay Electric out at Gainesville or I would have called him myself because I knew Steve and went to school with him and he had worked in Lake City here.

But anyway, Stacy called Steve and asked him to come out and look at the pole. On the site that day, Steve told me that the pole wasn't Clay Blectric's, it was Florida Power Corporation's, and

1 that we'd have to contact them to move it. Okay. And then did you contact Florida 2 3 Power Corporation? I don't think I made the initial contact. 5 I think Stacy Hall made the initial contact. 6 Q. Okay. Do you know who at Florida Power he 7 talked to? A. You know, here again Stacy made the initial contact, so I just don't recall who he talked 9 10 to. 11 Okay. And what was the result of those --12 Let me back up. Yo requested Clay or wanted Clay to 13 move a pole, and was the reason because it was located 14 in a manner on one of your lots or platted lots that didn't fit with your development? 15 16 Well, it was right in the middle of the 17 driveway. The county required us to build common 18 driveways, and it sat right in the middle of it. 19 Okay. What happened after that as far as 20 moving the pole? Did Florida Power agree to move the 21 pole? 22 A. I'm just trying to gather my thoughts on 23 dates and times when things happened. 24 Like I said earlier, Stacy made the 25 initial contact, and then at a subsequent time I was

down on the property with a couple of gentlemen from our company and I met -- I believe it was Jim Troke and Bill Parks on the property, and we had -- they were down just on the site.

I discussed with them the fact that the pole was in the -- sitting in the middle of the driveway and that we needed to get it moved, and they expressed an interest to serve the property.

My conversation with them was I thought it
was Clay Electric's territory. I wasn't aware that
there was two -- I didn't know two utilities could
serve one area. And I believe what -- the gist of our
conversation was there was no defined lines and it was
sort of up in the air of who could serve it.

We talked about moving the pole, and they said they'd be glad to move it; that if they moved the pole and Clay Electric served it, they would be glad to move it, and we would have a time and materials charge. If they served the area, then there would be no charge on moving the pole.

- Q. All right, sir. Was there any discussion about clearing the right-of-way for the poles for any facilities that would be needed to serve the subdivision?
 - A. Yes. I told them how I wanted the

1 right-of-ways cleared. How would the expense of that be handled? What I wanted was when the right-of-way was cleared, and this is just a normal -- a normal way 5 that we go about negotiating getting it done no matter what area we're in. I wanted all the debris chipped, and I didn't want a lot of trees that was felled and just left in the right-of-ways. That was one thing. 8 And then the other thing was I didn't want 9 10 any of the pine trees taken out of the right-of-way on US 41. I wanted the power lines running the rear of 11 the lots or in some anner that it wouldn't take out 12 13 that one line of tall pines, and we talked about that. 14 Q. Who was going to pay for the cost of 15 clearing the right-of-way? Florida Power. 16 17 Were they going to bill you for that, bill 0. 18 Patton Corporation? 19 No. 20 Q. The surveying, I noticed we're looking at a plat here that purports to be a survey or a diagram 21 of Marchant Meadows. 22 MR. HASWELL: Pam, have you seen this? 23 24 MS. SMITH: No, I haven't.

25

MR. HASWELL: Off the record for a minute.

1 (Thereupon, a discussion was held off the 2 record.) 3 BY MR. HASWELL: Q. Is this plat that we've just discussed or 5 that's sitting in front of you a plat of your planned development at Marchant Meadows? 6 What we call Phase I. There's six 8 interior lots here that's not shown. There's sixty-9 three here and six here. 10 Q. I'm showing you another map that says Phase II which purports to divide up the interior area 11 12 shown on Phase I. s this Phase II of the project? 13 A. Correct. 14 Q. Now the surveys, both these Phase I and Phase II surveys, appear to have been prepared by 15 Alachua County Land Surveyors, Inc.? 16 17 A. Right. Q. They were the folks that you hired to do 19 the survey? 20 A. Right. 21 Q. And from your prior testimony, is it fair to say that they handled some of the details as far as 22 23 where easements would be located? Correct. Well, as far as putting them 24 λ. on -- (brief interruption) 25

They handled some of the legwork or the 1 talking, but as far as making decisions of where the 2 easements were going to go, you know, I did that. 3 Okay. And you indicated that the service Q. 5 you want is service from the back lot lines of these parcels? Yeah, yeah. I mean, it sort of like, you know, we wanted a win-win situation. I wanted to 9 service the lots in a way that it wouldn't do any harm to the property. If I could get that done, that's 10 11 what I wanted done. 12 Q. Okay. . / would you describe this general 13 area that this subdivision or this development is 14 located; is this an urban area, rural area? 15 A. It's a rural area. 16 Q. Are there farms nearby, cows and horses? 17 A. Yes. 18 Q. Like right across the street? 19 A. Yes, there's a dairy across the street. 20 Okay. Now, if I can characterize your Q. 21 testimony, did it really make any difference to you who served this subdivision? 22 None whatsoever. 23 Q. Could you mark on this plat, which is 24

Phase I -- In fact, for purpose of this deposition,

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we'll call the Phase I map Petitioner's Exhibit Number
 1
 2
     1.
 3
                 Could you mark on here approximately where
     your sales office is?
           A.
                 Sure.
 6
           Q.
                 And that's approximately on lot 24?
 7
                Right.
           Q.
                 Did you need electric service to your
 9
     sales office?
10
           A.
                 Yes.
11
           Q.
                 And who is providing that service at this
12
     point?
13
           A.
                Florida Power Corporation.
                 What did they have to do to provide
14
15
     service to that sales office?
16
           A.
                Just run a line off of State Road 241 down
17
     the lot lines.
18
                 Did that include a couple poles, some
19
           and a transformer?
     wire,
                 Right. I assume a transformer. I don't
20
21
     know. Wires and poles, I think, they had to put in.
22
                All right. Are you aware of any Clay
     Electric facilities on the other side of US 41 across
23
     from lot 24?
24
                 Am I aware of --
25
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Q. Of the location of any Clay Electric 1 2 facilities. Well, I know there's some now because of 3 our conversation we have had before; but, you know, I didn't know definitely at that time that Clay 5 Electric -- who or what they were serving. I just 6 assumed they were serving it. I mean, I didn't call 7 anybody up and say who is providing you service. Right. Have you done any growth 9 Q. projections for how long it would take for this 10 property to sell out and how many people will be 11 living there in the xt 5 years? 12 A. No. It's not going as fast as we'd like 13 14 right now. I can tell you that. So you didn't give any growth projection 15 Q. 16 figures to FPC? A. 17 No. Is the provision of service by Florida 18 Q. 19 Power going to be all overhead service? Yes. 20 A. In your earlier testimony you indicated 21 Q. that you met on the property with several people from 22 Florida Power Corporation, including Mr. Troke who is 23 present today, and at that point you indicated that 24

that's when you became aware of -- or you had a

question about two utilities being able to serve in 1 2 the same area? 3 Yes. Who initiated those conversations? Q. 5 As far as --6 Was it somebody from Florida Power who Q. 7 said yes, we can serve this just as easily as Clay or there's no territorial agreement? 9 A. Well, I think --10 MS. SMITH: Could I object to the form of 11 the question as compound. 12 THE WITNES: Do you want me to answer or 13 what? 14 MS. SMITH: Yes, go ahead and answer. 15 I think, sort of, the flow of the 16 conversation was there was no defined lines. There 17 was no, you know, throw off on any utility or 18 anything. It was more there was no fine lines, no 19 clear this was mine and this was yours type of deal. 20 Q. Okay. Did anybody from Florida Power indicate that they could serve the property better 21 22 than Clay? 23 No. 24 Okay. Did the people from Florida Power Q. 25 indicate any reason why they wanted to serve the

	Broper Cy							
2	A. No.							
3 _	MR. HASWELL: Okay. I have no further							
4	questions.							
5	Excuse me, one other thing, Pam.							
6	I'd like these Phase I and Phase II							
7	and, Pam, you might want to assure yourself							
8	these are the same as Exhibits 1 and 2.							
9	Q. Terry, are these that's just a							
10	reduction copy of these big ones?							
11	A. Right.							
12	(Thereup the aforementioned exhibits							
13	were so marked.)							
14	MS. SMITH: Anything else?							
15	MR. HASWELL: No.							
16	MS. SMITH: Okay. I have a couple							
17	questions for you, Mr. Clayton.							
18	CROSS-EXAMINATION							
19	BY MS. SMITH:							
20	Q. Were you ever told by an employee or							
21	representative of Florida Power that Florida Power							
22	would not move the pole that was located on the							
23	driveway unless service was provided by Florida Power							
24	to the subdivision?							
25	A. No. The conditions were, as I stated a							

while ago, that if Florida Power didn't provide
service for some reason then there would be a time and
materials charge. And, you know, if service was
provided, then they would move it because they were
going to be building some right-of-ways or building
some lines or whatever. So there was no -- they
didn't have to get their trucks out there and move it
just because -- put them out there for a special job
or something.

- Q. Were you ever given an estimate of the cost of moving the pole if service was not provided by Florida Power?
 - A. No.
 - Q. Did you ever ask for an estimate?
 - A. No.
- Q. Were you concerned about the cost of moving that pole?
 - A. I'm always concerned about cost.
 - Q. But not quite concerned enough to ask?
- 20 A. Well, I don't think it got to that point.

I think -- I think what happened is when I found out that Florida Power Corporation could serve and there was no defined lines then, number one, they would move the pole at no charge.

Number two, they were going to do -- or

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build them as we wanted them built at no charge to us
where Clay Electric hadn't agreed to that.

It was like they were offering a better deal, so since there was no defined lines we decided to go with Florida Power Corporation. So I never got to the point of saying how much would it cost.

- Q. Have you ever had occasion in the other development work that you've done to ask Clay Cooperative to move poles or clear rights-of way?
- A. Yeah. They clear right-of-ways -- you know, we buy a piece of property and they build power lines and they clear right-of-ways.
- Q. Was there anything in the discussions that you had with Florida Power regarding the clearing of the right-of-ways and the moving of the poles that struck you as being different from the experiences that you have had with Clay Cooperative on moving poles and clearing rights-of-ways?
- A. No, not really because, you know, we probably deal with five or six different power company cooperatives, and all of them are different. Some charge you for building lines, some don't charge you anything; some charge you for clearing right-of-ways, some don't charge you any. It just depends on the

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cooperative.

And, you know, I found out that they can do just about what they want to do. It's just negotiating. And, you know, I'm -- I want to get it -- I want the tork done as inexpensive as possible. You know, that's what I'm after.

MS. SMITH: I don't have anything further.

MR. HASWELL: One little technicality.

Since we're going to use a smaller map, can I get you to circle the same spot where your sales office is?

THE WITNESS: All right.

MR. HASWELL: Thank you, sir.

I have no other questions.

(Thereupon, the witness was explained his right to read and sign the deposition; whereupon, the witness did not waive that right, and the deposition was concluded at 11:30 a.m.)

1	<u>CERTIFICATE</u>
2	STATE OF FLORIDA COUNTY OF ALACHUA
3	I, Donna Katsaounis Alexander, Court
4	Reporter and Notary Public, do hereby certify that the
5	witness, JOSEPH T. CLAYTON, JR., was first duly sworn
6	by me to testify the whole truth; that the foregoing
7	deposition given by said witness was reported in
8	stenograph and tape recorder by me, reduced to
9	typewriting under my direct supervision, and the
10	foregoing pages, numbered 1 through 20, inclusive,
11 _	constitute a true and accurate transcription of said
12	proceedings.
13	I further certify that I am neither
14	attorney or counsel for any of the parties, nor a
15	relative or employee of any attorney or counsel
16	connected herewith, nor am I financially interested in
17	the event of this cause.
18	I further certify that the original of
19	this deposition was delivered to Mr. Haswell and was
20	true and correct at the time of delivery.
21	Witness my hand and seal at Gainesville,
22	Florida this 1th day of April, 1990.

23

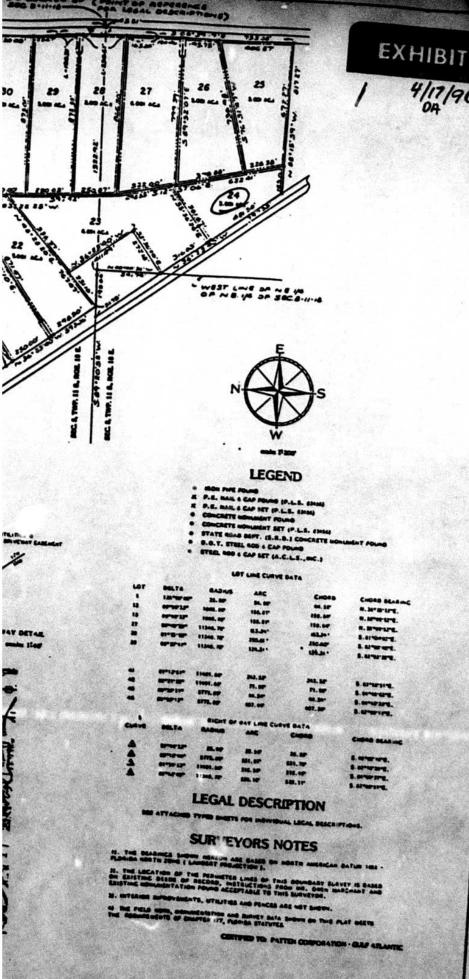
DONNA KATSAOUNIS ALEXANDER COURT REPORTER AND NOTARY PUBLIC STATE OF FLORIDA AT LARGE

MY COMMISSION EXPIRES: 6/26/90

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Direct Pre-Filed Testimony of Joseph T. Clayton, Jr. has been furnished to PMELA I. SMITH, ESQUIRE, Staff Attorney, Florida Power Corporation, P. O. Box 14042, St. Petersburg, FL 33734; and MICHAEL A. PALECKI, ESQUIRE, Florida Public Service Commission, 101 E. Gaines Street, Tallahassee, FL 32301 by U.S. Mail this 20 day of April, 1990.

Of Counsel



FPSC Docket No.

EXHIBIT

2 4/17/90



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LEGAL DESCRIPTION

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SURVEYORS NOTES

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FPSC Docket No.

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