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April 9, 1992

ORIGINAL
FILE COPY

Mr. Steve C. Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-0850

Re: Territorial Dispute Between Okefenoke Rural Electrical
Membership Corporation, and the Jacksonville Electric
Authority of the City of Jacksonville, in Duval
County; FPSC Docket No. 911141-EU

Dear Mr. Tribble:

Enclosed for filing in the above docket are the original
and fifteen (15) copies of Jacksonville Electric Authority's
Prehearing Statement together with Word Perfect diskette.

Thank you for your assistance.

Yours truly,

BRUCE PAGE
Assistant General Counsel

- ACK ✓
- AFA _____
- APP BP:yi
- CAF Enclosure
- CMU _____
- CTR _____
- EAG _____
- LEG 1
- LIN 6
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of
Jacksonville Electric Authority's Prehearing Statement have
been furnished by U.S. Mail this 9th day of April, 1992, to:

Martha Carter Brown, Esq.
Florida Public Service Commission
Division of Legal Services
101 East Gaines Street
Tallahassee, FL 32301

James Harold Thompson, Esq.
Ausley, McMullen, McGehee,
Carothers & Proctor
Washington Square Building
227 S. Calhoun Street
P. O. Box 391
Tallahassee, FL 32302

DOCUMENT NUMBER-DATE

00594 APR 10 1992

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Territorial Dispute Between)
Okefenokee Rural Electrical Membership))
Corporation, and the Jacksonville)
Electric Authority of the City of)
Jacksonville, in Duval County)

Docket No. 911141-EU
April 10, 1992

JACKSONVILLE ELECTRIC AUTHORITY'S PREHEARING STATEMENT

The Jacksonville Electric Authority, by and through its undersigned attorney, files this prehearing statement.

A. APPEARANCES:

BRUCE PAGE
Assistant General Counsel
City of Jacksonville
Office of General Counsel
220 East Bay Street
Jacksonville, Florida 32202

B. WITNESSES:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Sheldon Ferdman	JEA's rights to serve in the City of Jacksonville and JEA service to Holiday Inn, Airport Road	All

C. EXHIBITS:

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
(Direct)		
<u>(SRF-1)</u>	Ferdman	Map-JEA Service Area
<u>(SRF-2)</u>	Ferdman	Jacksonville Electric Authority, City Charter
<u>(SRF-3)</u>	Ferdman	Correspondence

DOCUMENT NUMBER-DATE

03594 APR 10 1992

FPSC-RECORDS/REPORTING

(SRF-4)

Ferdman

Map-JEA Power
Division

(Rebuttal)

(SRF-1R)

Ferdman

Correspondence

D. STATEMENT OF BASIC POSITION:

Jacksonville Electric Authority's Statement of Basic Position:

The commission should deny OREMC's request that JEA be ordered to refrain from serving the Holiday Inn - Airport Road, and, if the parties are ordered to enter into a territorial agreement, the boundary must be the municipal corporate limits of the City.

The Jacksonville Electric Authority is the municipally owned electric utility for the Consolidated City of Jacksonville. The Jacksonville municipal corporate boundaries are defined by the Florida Legislature in the Jacksonville Charter as all of Duval County except the incorporated urban districts of Atlantic Beach, Jacksonville Beach, Neptune Beach, and Baldwin. The JEA has on file with the commission a territorial agreement with Florida Power and Light Company concerning service to portions of the City.

The powers and responsibilities of the JEA as well as the powers and responsibilities of other electric utilities in the City are set forth in the Charter and Municipal Code. Pursuant to those laws, the JEA has the right to serve all customers in the City except as otherwise provided in the Florida Power and Light agreement or in the incorporated urban districts. These same laws do not allow JEA to grant OREMC the right to serve any territory within the City. The Jacksonville City Council has not granted OREMC a franchise or other permission to serve in the City. JEA has attempted to negotiate an agreement with OREMC without success.

E. STATEMENT OF ISSUES AND POSITIONS:

ISSUE 1: Does the Commission have the jurisdictional authority to grant exclusive territorial rights to a rural electric cooperative within the municipal corporate limits of Jacksonville in the absence of an approved territorial agreement between the JEA and the rural electric cooperative?

JEA: No. Section 366.04, Florida Statutes include the

following:

No provision of this chapter shall be construed or applied to impede, prevent, or prohibit any municipally owned electric utility system from distributing at retail electrical energy within its corporate limits, as such corporate limits exist on July 1, 1974; however, existing territorial agreements shall not be altered or abridged hereby.

JEA believes OREMC's requested remedy violates this provision.

ISSUE 2: Does the Commission have the jurisdictional authority to order the JEA to refrain from providing at retail electric service to a customer located entirely within the municipal corporate limits of Jacksonville when there exists no approved territorial agreement regarding the customer's site?

JEA: No. Same answer as Number 1.

ISSUE 3: Does JEA have the exclusive right to serve in Duval County even where other utilities served prior to October 1, 1968?

JEA: Yes. Under the legislatively enacted Charter, the JEA has the right to "furnish electricity to private persons, firms and corporations, the City, and any other public or private body, organization or unit, in any part of the City." This right has been limited in the urban districts and in the area served by Florida Power and Light. Except as addressed in the Charter and Municipal Code, the JEA has the exclusive right to serve citizens of the City of Jacksonville.

ISSUE 4: If the 1974 Clause preserved JEA's right to serve throughout Duval County, does JEA have an unconditional obligation to serve throughout Duval County?

JEA: Yes. Except for the exclusions addressed above, an individual or citizen of Jacksonville can compel service by the JEA.

ISSUE 5: What is the geographical description of the area in dispute?

JEA: The area in dispute includes the portions of the City where OREMC has distribution facilities.

ISSUE 6: Which utility has historically served the area in dispute?

JEA: Both JEA and OREMC have a long history of service in the areas.

ISSUE 7: What is the location, purpose, type, and capacity of each utility's facilities existing as of the filing of the petition in this case?

JEA: This is not a disputed issue. This information has been provided to commission staff pursuant to the request for documents.

ISSUE 8: Are there other areas of potential conflict between the service areas of Okefenole and JEA?

JEA: No.

ISSUE 9: Is either utility presently servicing the area in dispute?

JEA: Both utilities are serving customers in the area.

ISSUE 10: What is the expected customer load and energy growth in the disputed area and surrounding areas?

JEA: This information was provided by requested documents.

ISSUE 11: What additional facilities would each party have to build to serve the disputed area?

JEA: No new facilities are required in the immediate future. Building new facilities would be an unnecessary duplication.

ISSUE 12: What is the ability of each utility to extend existing facilities to the area in question?

JEA: An extension of facilities by either party is unnecessary at this time. The issue involves service to existing customers rather than future customers.

ISSUE 13: How long would it take each utility to provide service to the disputed area?

JEA: The areas in dispute are already being served. If JEA purchased OREMC distribution lines, JEA would serve all of the area within one month. JEA could duplicate

existing facilities within 3 years.

ISSUE 14: Has unnecessary duplication of electric facilities occurred in the vicinity of the disputed area, or in other areas of potential dispute between the parties?

JEA: No. All expansion of electric facilities by other utilities in the City must be authorized by either the Jacksonville City Council or the JEA. Since consolidation, OREMC has not been allowed to construct facilities which would cause unnecessary duplication.

ISSUE 15: Has uneconomical duplication of electric facilities occurred in the vicinity of the disputed area, or in other areas of potential dispute between the parties?

JEA: No. The answer to this question is the same as answer 14 above.

ISSUE 16: Do the parties have a formal territorial agreement that covers the area in dispute, or any other areas of potential dispute?

JEA: No.

ISSUE 17: Have the parties made any attempts to reach agreement on who should serve the disputed area, or any other areas of potential dispute?

JEA: Yes. JEA has offered to compensate OREMC to acquire their interests. OREMC has refused to discuss the matter unless JEA will grant OREMC some exclusive territory in the City. JEA does not have the power nor the desire to make such an offer.

ISSUE 18: Have the parties operated under any informal agreements or "understandings" regarding who should serve the disputed area?

JEA: Yes. Both parties have operated under the Municipal Code and a working agreement.

ISSUE 19: What would be the additional cost to each utility to provide electric service to the area in dispute?

JEA: Except for the cost to acquire OREMC facilities, JEA would not incur any additional costs to provide service to the area.

ISSUE 20: What would be the cost to each utility if it were not permitted to serve the area in dispute?

JEA: The cost to a utility if it were not permitted to serve the area where it now serves is impossible to determine. Each utility can and should be made whole if its assets are acquired by the other utility.

ISSUE 21: What would be the effect on each utility's ratepayers if it were not permitted to serve the disputed area?

JEA: The immediate effect on a utility's ratepayers would be minimal if the utility were made whole or compensated for its lost assets. The long term effect on ratepayers is impossible to predict because of the uncertainty in value of deferred capacity versus the cost of constructing or purchasing new generation.

ISSUE 22: If all other things are equal, what is the customer preference for utility service in the disputed area?

JEA: JEA has conducted no survey to determine customer preference. However, the action by Holiday Inn and the unsolicited signatures of hundreds of Jacksonville citizens and letters from elected representatives suggest a strong preference for JEA service.

ISSUE 23: Which party should be permitted to serve the area in dispute?

JEA: The JEA should be permitted to serve the area because the area is entirely within the corporate limits of the city.

ISSUE 24: What conditions, if any, should accompany the Commission's decision regarding which party should be permitted to serve the disputed area?

JEA: No position at this time.

F. QUESTIONS OF FACT:

JEA is unaware of any questions of fact at this time.

G. Questions of Law:

JEA believes that the FPSC under Chapter 366 is prohibited from granting OREMC's requested remedy in this case.

H. QUESTIONS OF POLICY:

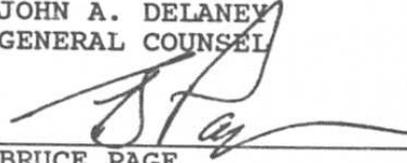
JEA is unaware of any question of policy at this time.

I. STIPULATED ISSUES:

None at this time.

Respectfully submitted,

JOHN A. DELANEY
GENERAL COUNSEL



BRUCE PAGE
ASSISTANT GENERAL COUNSEL
Florida Bar No: 651389

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