



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: March 31, 1998

TO: Blanca S. Bayó, Director, Division of Records & Reporting

FROM: Grace A. Jaye, Attorney, Division of Legal Services

RE: Docket No. 970512-EU - Petition of Florida Power & Light

Company to resolve a territorial dispute with Clay

Electric Cooperative in Baker County.

Attached is a letter dated March 27, 1998, that I received from Mark Logan, Esquire, of Bryant Miller and Olive, P.A. Please incorporate this letter into the record of this docket by entering it in the docket file. Thank you.

GAJ/js Attachment

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March 27, 1998

NII DISSICIO

Grace Jaye, Esquire Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850

> Re: In Re: Petition of Florida Power & Light Company to Resolve a Territorial Dispute with Clay Electric Cooperative in Baker County. Docket No. 970512-EU

Dear Grace:

Barnett Plaza, Suite 1265 101 East Kennedy Boulevard Tempa, Florida 33602

(813) 273-8677 FAX: (813) 223-2705

As you are aware, on January 28, 1998, the Commission issued Order No. PSC-98-0178-FOF-EU resolving the territorial dispute between Florida Power & Light Company ("FP&L") and Clay Electric Cooperative, Inc. ("Clay") in favor of FP&L. That order requires FP&L to provide service to the disputed customer (River City Plastics) within four weeks of the effective date of the order. Factoring in the time allowed for potential reconsideration and/or appeal of the above referenced order, FP&L planned to have service delivered to River City Plastics by April 1, 1998. However, since the issuance of the order there have been several occurrences which will impact the date of actual delivery of electric service to River City Plastics.

During FP&L's post-order meetings with River City Plastics, FP&L was informed by River City Plastics that they desired to continue to use Clay's transformers and other related facilities behind the primary metering point under an existing leasing arrangement. As you will recall, these facilities were part of the matters considered by the Commission in denying FP&L's motion to award interim service (Order No. PSC-97-1235-PCO-EI, August 4, 1997). One of the issues raised by FP&L in that motion was the compatibility of transformers used by Clay with those used by FP&L.

The decision of River City Plastics and Clay to continue the leasing arrangement necessitates the purchase by Clay of certain voltage regulators and additional transformers in order to accommodate FP&L's electrical service delivered to the primary metering point. Clay has informed us that they ordered this equipment on March 11, 1998, and do not anticipate delivery until some ten weeks later (approximately May 20, 1998).

Grace Jaye, Esquire March 27, 1998 Page 2

FP&L cannot start building its overhead (secondary feed) service until River City Plastics' equipment (leased Clay equipment) is compatible with FP&L's primary feed service. Additionally, we are still waiting for Clay to provide FP&L with the cost to purchase their existing overhead service or remove the same in order for FP&L to build the overhead service required to provide River City Plastics with FP&L's secondary service.

We do not believe that the above referenced occurrences are within the control of FP&L. FP&L The Company remains committed to bringing quality dual feed service to River City Plastics at the earliest feasible time.

Please feel free to contact either myself or Bob Valdez (305-552-4775) regarding any questions you may have concerning this matter.

Very truly yours,

Mark K. Logan

MKL/skb

cc: Jim Breman, PSC staff
Robert L. Valdez, FP&L
Mr. W. G. Walker, III
Bill Feaster
John Haswell, Esquire
Wilton Miller, Esquire