



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

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RECORDS AND REPORTING

**DATE:** DECEMBER 3, 1998

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

**FROM:** DIVISION OF LEGAL SERVICES (JAYE) *Handwritten initials*  
DIVISION OF ELECTRIC AND GAS (BOHRMANN) *Tb Gub R4T*

**RE:** DOCKET NO. 981263-EU - JOINT PETITION OF TAMPA ELECTRIC COMPANY AND CITY OF LAKELAND FOR APPROVAL OF AMENDMENT TO TERRITORIAL AGREEMENT.

**AGENDA:** 12/15/98 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\LEG\WP\981263.RCM

**CASE BACKGROUND**

On June 25, 1992, the Commission approved a territorial agreement between Tampa Electric Company (TECO) and the City of Lakeland (City) by Order No. PSC-92-0570-FOF-EU (1992 Order), in Docket No. 920251-EU. The territorial agreement states in part:

TEC and LAKELAND recognize that in exceptional circumstances, economic constraints on either utility or good engineering practices may indicate that a Customer's temporary end use and/or small discrete service areas and/or future retail Customers should not be immediately served by the utility in whose service territory they are located. In such instances, upon written request by the utility in whose territory the end use facility is located to the other utility, the other utility may agree in writing to provide service to such Customer's temporary end use, small discrete service areas, and future retail customers.

DOCKET NO. 981263-EU  
DATE: December 3, 1998

Pursuant to this clause, TECO and the City filed a joint petition with the Commission to authorize a temporary power service arrangement by the City for the Tenorock Fish and Game Preserve (Tenorock). The Tenorock site was located approximately 5400 feet from the closest City-owned distribution facility. Under the temporary power service arrangement, the City would extend its distribution facilities northeasterly along Tenorock Mine Road at a cost of approximately \$12,400. The City would not require a contribution in aid of construction (CIAC) from either Tenorock or TECO.

This temporary power service arrangement would remain effective until TECO could economically install the necessary equipment to provide the site with permanent service. When TECO could provide permanent service, the City agreed that it would disconnect its service line and once again abide by the terms and conditions of the territorial agreement approved in the 1992 Order. TECO would reimburse the City for the costs of removing the City's distribution facilities serving the Tenorock site. The City had estimated its removal costs at \$1,700. TECO estimated that it could provide permanent service to the Tenorock site by April 30, 1998.

Subsequently, the Commission approved TECO and the City's joint petition for temporary power service to Tenorock by Order No. PSC-97-1485-FOF-EU, issued November 24, 1997, in Docket No. 970999-EU.

TECO and the City filed a joint petition on October 5, 1998, requesting that the Commission approve an amendment to their territorial agreement. This amendment would allow the City to continue serving Tenorock permanently. The amendment to the territorial agreement is attached to this recommendation as Exhibit One. This recommendation addresses the propriety of the amendment as proposed by the joint petitioners pursuant to Section 366.04(2)(d), Florida Statutes, and Rule 25-6.0440, Florida Administrative Code.

DOCKET NO. 981263-EU  
DATE: December 3, 1998

### DISCUSSION OF ISSUES

**ISSUE 1:** Should the Commission grant Tampa Electric Company and the City of Lakeland's Joint Petition for Approval of Amendment to their Territorial Agreement?

**RECOMMENDATION:** Yes. The Commission should grant Tampa Electric Company and the City of Lakeland's joint petition for approval of the amendment to their territorial agreement. The amendment minimizes costs to the customer, avoids placing an undue burden on TECO's and the City's ratepayers, and is in the public interest. (BOHRMANN)

**STAFF ANALYSIS:** On October 5, 1998, TECO and the City filed a joint petition with the Commission to allow the City to provide electric service to Tenorock on a permanent basis, instead of a temporary basis as authorized by the 1997 Order. The proposed amendment and a map and written description of the area affected by the proposed amendment are attached as Exhibit One.

In Docket No. 970999-EU, TECO indicated that it would construct between .75 and 1.50 miles of single phase (7.6 kV) distribution overhead pole line to provide permanent electric service to the Tenorock site. At the site, TECO would install a 10 kVa pole-mounted transformer, service, and meter. TECO estimated its total construction and installation costs between \$13,000 and \$30,000. Also, TECO had agreed to pay the City's costs to remove the City's distribution facilities which was estimated at \$1,700. Thus, TECO's estimated total cost to serve the Tenorock site permanently should be between \$14,700 and \$31,700.

As previously stated, the City extended its distribution facilities on a temporary basis to Tenorock at a cost of approximately \$12,400. According to the City, it will not incur any incremental costs to provide permanent electric service to the Tenorock site. Tenorock is the only customer affected by the proposed amendment, and TECO and the City have discussed with Tenorock the difference in their respective rates and charges. Tenorock has agreed to continue to receive electric service from the City. Therefore, the Commission's approval of TECO and the City's joint petition minimizes costs to Tenorock and avoids placing an undue burden upon the utilities' ratepayers.



DOCKET NO. 981263-EU  
DATE: December 3, 1998

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. This docket should be closed if no person whose substantial interests are affected by the proposed action files a protest within the 21-day protest period. (JAYE)

STAFF ANALYSIS: This docket should be closed if there is no timely protest from a person whose substantial interests are affected by the proposed agency action.

**AMENDMENT TO  
TERRITORIAL AGREEMENT**

**THIS AMENDMENT TO TERRITORIAL AGREEMENT** ("Amendment") is made and entered into this 17<sup>th</sup> day of August, 1998, by and between **THE CITY OF LAKELAND**, a Florida municipal corporation ("Lakeland"), and **TAMPA ELECTRIC COMPANY**, a private Florida corporation ("TEC"). Collectively, LAKELAND and TEC will be referred to herein as the "Parties."

**WHEREAS**, pursuant to the approval of the Florida Public Service Commission ("FPSC") in Docket No. 920251-EU, Joint Petition of Tampa Electric Company and The City of Lakeland for Approval of Territorial Agreement, TEC and Lakeland are Parties to an FPSC approved territorial agreement dated May 20, 1991 ("the Agreement"); and

**WHEREAS**, Article I of the Agreement defines the respective territories of the Parties, and

**WHEREAS**, pursuant to Order No. PSC-97-1485-FOF-EU, Docket No. 970999-EU, TEC and Lakeland have requested from and received approval of the FPSC for Lakeland temporarily to serve a customer in TEC's service territory and to return to the FPSC in certain events relating to that service to effect an adjustment of their respective territories.

**NOW THEREFORE**, the Parties hereby amend the Agreement as follows:

1. The Parties agree, subject to the approval of the FPSC, the lands described and depicted as "Subject Area" in the map attached hereto as Exhibit A hereby and hereinafter shall be deleted from the TEC Territorial Area and added to the Lakeland Territorial Area.
2. The Parties agree, subject to the approval of the FPSC, that the territorial boundary between their respective areas, as recited in Exhibit A of the Agreement, is hereby amended by including within the metes and bounds description contained in Exhibit A of the Agreement, and at the place within said metes and

bounds description identified in Exhibit B of this Amendment, the additional language set forth in bold type in Exhibit B of this Amendment.

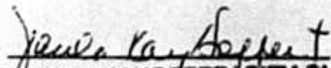
3. All other provisions of the Agreement shall remain in full force and effect.

**PREREQUISITE APPROVAL**

The provisions of this Amendment are subject to the regulatory authority of the FPSC, and appropriate approval by that body of the provisions of this Amendment shall be a prerequisite to the validity and applicability hereof and neither party shall be bound hereunder until that approval has been obtained.

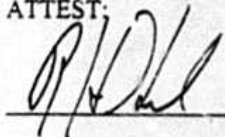
**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be executed in duplicate in their respective corporate names and their corporate seals affixed by their duly-authorized officers on the day and year first written above.

ATTEST:

  
PAULA KAY HOFFER, CITY CLERK

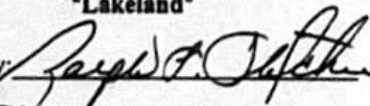
(SEAL)

ATTEST:

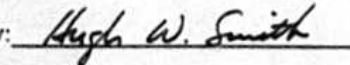
  
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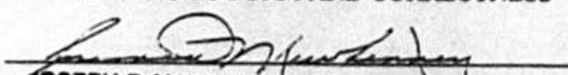
**THE CITY OF LAKELAND**  
"Lakeland"

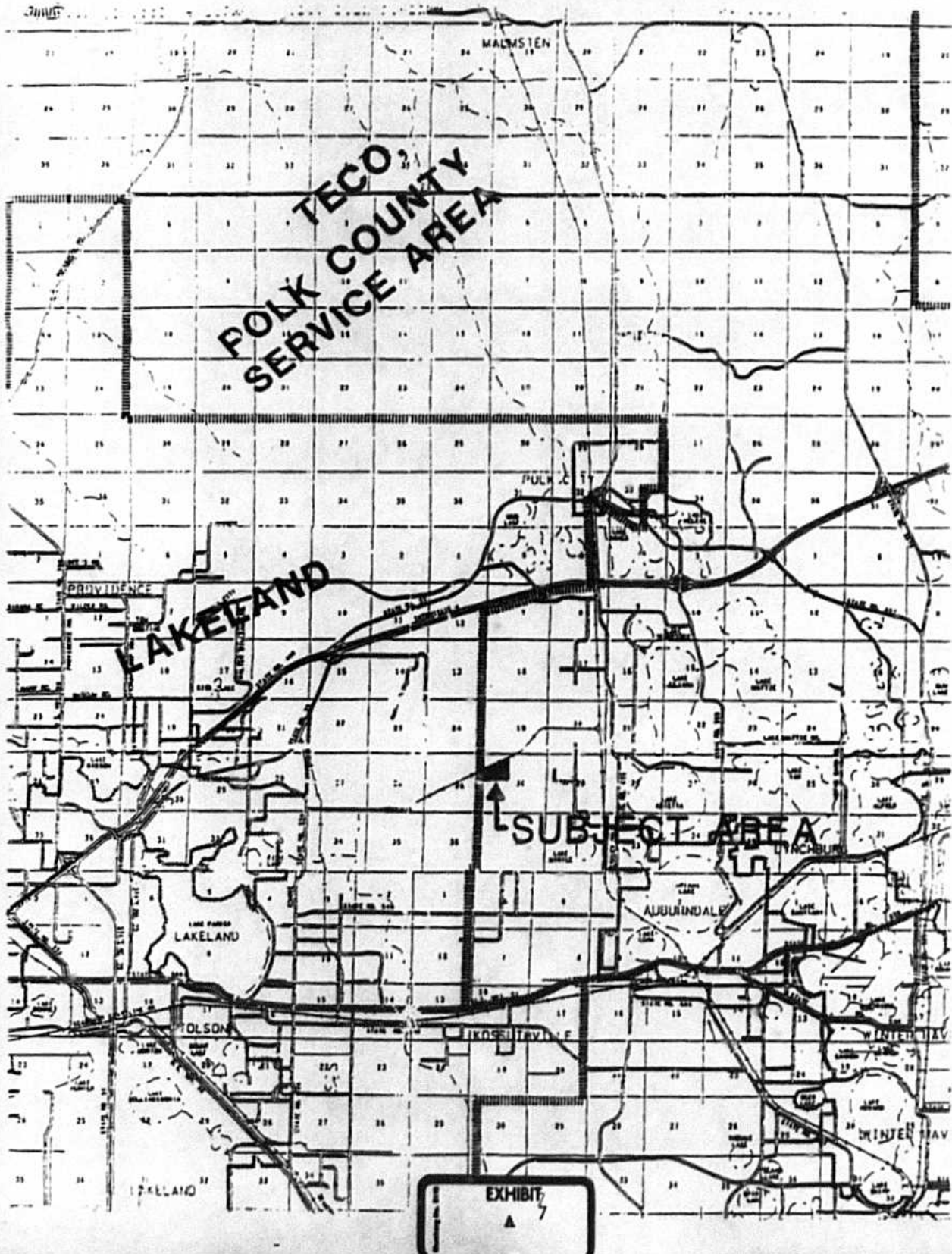
By:   
RALPH L. FLETCHER, MAYOR

**TAMPA ELECTRIC COMPANY**  
"TEC"

By:   
\_\_\_\_\_

APPROVED AS TO FORM AND CORRECTNESS

  
JOSEPH P. MAWHINNEY, CITY ATTORNEY





ADDITIONAL LEGAL DESCRIPTION (in bold type below)

thence departing said Southerly limited access right of way boundary and on the East boundary of said Range 24 East

...proceed in a Southerly direction to the intersection of said East boundary with the centerline of the former Seaboard Coastline Railroad right of way; thence Northeasterly along said centerline to an intersection with the East boundary of the West ½ of the Northwest ¼ of Section 30, Township 27 South, Range 25 East; thence departing said centerline, proceed South along said East boundary to the South boundary of the Northwest ¼ of said Section 30; thence West along the South boundary of the Northwest ¼ of said Section 30 to the East boundary of Section 25, Township 27 South, Range 24 East; thence on the East boundary of said Range 24 East,....

...proceed in a Southerly direction to the Southeast corner of Section 36, Township 27 South, Range 24 East;