



February 7, 2007

Ms. Martha Carter Brown
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Ms. Brown:

This letter is a follow-up to our meeting on January 10, 2007 regarding the new territorial agreement between Glades Electric Cooperative and Progress Energy.

Enclosed please find Attachment 1 which contains descriptions of the areas where the territorial boundary will be modified as a result of the new agreement. These descriptions are an addition to the descriptions included in the new agreement previously filed with the PSC (Public Service Commission). Also enclosed (Attachment 2) is list of customers and a copy of the notification (Attachment 3) that Glades Electric will mail on Friday, February 9, 2007 to these customers located in the areas of Bassage Road/Sparta Road and Sections 31, 32, and 33 in township 37 south.

Sincerely,

A handwritten signature in cursive script that reads 'Gail T. Simpson'.

Gail T. Simpson
Manager
Public Policy

GTS/jfw

Enclosure

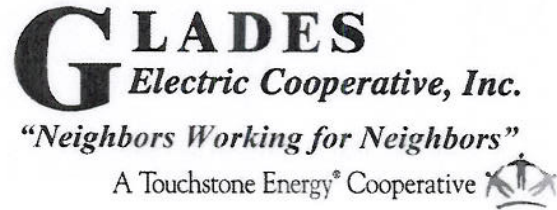
cc: John Burnett
Jerry Miller
Tommy Todd, Glades Electric

ATTACHMENT #1

Progress Energy/Glades Electric Cooperative Territorial Agreement – Transfer Areas

1. **Box Ranch** - Sections 13, 14, 23,24,28,29,34,35,36, Township 37 South, Range 28 East.
2. **West Josephine Road** - Sections 16,17,18 Township 36 South, Range 28 East
 - a. These three sections are located at the end of West Josephine Road (small dirt road), in the area where Highlands, Hardee and DeSoto Counties meet.
3. **Farm Road** –
 - a. Section 25, Township 35 South and Range 29 East - Located on the south end of Farm Road, using Yellow Bluff Creek to the North and East Boundaries of Section 29, Township 35 South and Range 29 East.
 - b. Section 19, Township 35 South, Range 30 East – boundary located from the RR west and south – Located south of Pine-Dale Estates and would put the majority of Section 19 in GEC territory.
 - c. South West Section 20, Township 35 South, Range 30 West – boundary located from the RR west and south of Section 20. This would make all of Section 20, Township 35 South, and Range 30 East in GEC territory.
4. **Arbuckle Creek / Lake Istokpoga** - Section 12, Township 35 South, Range 30 East.
 - a. From Burke Road south to PEF territory. Burke Road will be the north boundary line and Oak View Dr. is the east boundary line.
 - b. GEC currently feeds this area from the east. PEF currently has facilities to the west, and cross over US 98, heading south. To avoid duplication of service, PEF will purchase existing GEC facilities in the Lake Istokpoga Park area and tie into their own existing facilities that run on the east side of Arbuckle Creek. The new facility-extension is approximately 1 mile of single phase power.
6. **SR 70** – facilities serving Box Ranch (Sections 13, 14, 23,24,28,29,34,35,36, Township 37 South, Range 28 East.).
 - a. From Burke Road south to PEF Box Ranch requires 3 phase power. The only three phase service that PEF currently has in the area runs down Placid View Drive to SR 70. In order for PEF to utilize this 3 phase feed, PEF would need to build 7 miles of 3 phase line heading west to Box Ranch, while under-building FPL and paralleling Glades on SR 70 (due to limited road right-of-way).
 - b. The facilities located off of SR 70, east of Box Ranch is an area called Westby Ranch. This area is on private property, would require easement acquisitions and has single phase power which would not be sufficient to feed Box Ranch's requirements

ATTACHMENT #2



Dear Valued Member,

As you know, Glades Electric Cooperative and Progress Energy are in the process of finalizing an agreement regarding our respective service territories. Upon approval of the agreement by the Public Service Commission, your home will become part of Progress Energy's service area.

However, at this time, Progress Energy does not have the physical inventory constructed in the area necessary to provide your electricity. Therefore, Glades Electric Cooperative will proudly remain your power provider until Progress Energy erects the necessary facilities to efficiently serve your home.

Please know that it is our intent to continue providing you with the highest quality product and service that you deserve and have come to expect from Glades Electric until your transition into Progress Energy's service.

Please feel free to contact me should you have any questions or concerns.

Best regards,

Paul McGehee
Business Development Manager

ATTACHMENT #3

Customer Account Information

American Tower

P.O. Box 724318
Site 002571
Atlanta, GA 31139

Mbr Sep: 15114-12
Location: 1610320001

Nextel Communications

P.O. Box 182095
Columbus, OH 43218-2095

Mbr Sep: 11849-09
Location: 1610320002

AT&T Wireless Service

P.O. Box 182576
Columbus, OH 43218-2576

Mbr Sep: 100058-11
Location: 1610320003

Steven & Kathy Sanders

6101 State Road 70 West
Lake Placid, FL 33852-5845

Mbr Sep: 77788840-02
Location: 1610330005

Highlands County

Board of County Commissioners
505 S. Commerce Avenue
Sebring, FL 33870

Mbr Sep: 2792-28
Location: 1631070018