

MESSER CAPARELLO & SELE, P.A.

RECEIVED FPSC

Attorneys At Law  
www.lawfla.com

10 MAY 24 PM 3:48

COMMISSION  
CLERK

May 24, 2010

100304-EU

**VIA HAND DELIVERY**

Ms. Ann Cole, Director  
Commission Clerk and Administrative Services  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Dear Ms. Cole:

Enclosed for filing on behalf of Choctawhatchee Electric Cooperative, Inc. are an original and seven copies of Choctawhatchee Electric Cooperative, Inc.'s Petition to Resolve Territorial Dispute.

Please note that Exhibits "A" through "E" are maps and are separate from the petition.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter and returning same to me.

Thank you for your assistance.

Sincerely,

Norman H. Horton, Jr.

NHH/amb  
Enclosure

cc: Ms. Leigh V. Grantham  
Parties of Record

- COM \_\_\_\_\_
- APA \_\_\_\_\_
- ECB 2 + All maps (12)
- GCL \_\_\_\_\_
- RAD \_\_\_\_\_
- SSC \_\_\_\_\_
- ADM \_\_\_\_\_
- OPC \_\_\_\_\_
- CLK Wonnage

DOCUMENT NUMBER-DATE  
04374 MAY 24 09  
FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Territorial Dispute Between )  
Choctawhatchee Electric Cooperative, Inc. )  
and Gulf Power Company )  
\_\_\_\_\_ )

Docket No. 100304 - EU  
Filed: May 24, 2010

**PETITION TO RESOLVE TERRITORIAL DISPUTE**

Choctawhatchee Electric Cooperative, Inc. ("CHELCO") by and through its undersigned attorneys, files this Petition to Resolve a Territorial Dispute between itself and Gulf Power Company ("Gulf Power"), brought pursuant to s. 366.04(2)(e), F.S., and Rule 25-6.0441, F.A.C. and states:

- 1. All notices and pleadings in this matter should be served on the following

Norman H. Horton, Jr.  
Messer, Caparello & Self, P.A.  
Post Office Box 15579  
Tallahassee, FL 32317  
(850) 222-0720 telephone  
(850)224-4359 facsimile

Leigh Grantham  
Chief Executive Officer  
Choctawhatchee Electric Cooperative, Inc.  
P.O. Box 512  
DeFuniak Springs, FL 32435-0512

- 2. CHELCO is an electric cooperative organized and existing under Chapter 425, Florida Statutes, and presently furnishes electric service to members in Okaloosa, Walton, Holmes and Santa Rosa Counties in the State of Florida. CHELCO is an electric utility pursuant to 366.02(2), Florida Statutes, and is subject to the jurisdiction of the Florida Public Service Commission ("FPSC") for purposes of resolving territorial disputes pursuant to section 366.04(2)(e) Florida Statutes. The principal place of business is located in DeFuniak Springs, Florida, and its address is:

1350 West Baldwin Avenue  
DeFuniak Springs, Florida 32435

RECEIVED NUMBER DATE  
4374 MAY 24 2010  
FPSC-COMMISSION CLERK

3. CHELCO has provided service to members within its multi-county service area since 1941. CHELCO currently provides service to approximately 42,000 members, approximately 80% of whom are residential and 20% commercial. CHELCO does not generate the power which it provides to members, but is a distribution cooperative whose power supplier is PowerSouth Energy Cooperative. PowerSouth is owned by the 20 distribution companies it serves and has sufficient capacity to supply the power needs of CHELCO, including the disputed territory.

4. Gulf Power Company is an investor-owned electric utility subject to the jurisdiction of the FPSC pursuant to Chapter 366, Florida Statutes, and rules of the Commission, and is engaged in the business of selling electric energy to its customers within the State of Florida, including certain customers in Okaloosa, Walton, Holmes and Santa Rosa Counties.

5. For purposes of this Petition, the FPSC has jurisdiction over both CHELCO and Gulf Power for the planning, development, and maintenance of a coordinated electric power grid to avoid uneconomic duplications of distribution, transmission and generation facilities. Moreover, Section 366.04(2)(e), Florida Statutes, gives the Commission the authority to resolve territorial disputes between electric cooperatives and investor-owned utilities, and the Commission has been called upon to do so on numerous occasions.

6. The purpose of this petition is to resolve a dispute which exists between CHELCO and gulf as to the utility which will provide electric service to a new development. The disputed territory is a proposed new development known as Freedom Walk, which is within CHELCO's historic service area. The development is located in north Crestview, Florida, west of Highway 85N and south of Old Bethel Road as depicted on Exhibit "A" hereto. The

development, consisting of approximately 171 acres is currently wooded area but upon buildout will contain both residential and commercial customers. The area immediately surrounding the proposed development is primarily residential or agricultural, and historically the area has been rural even though it is now within the city limits of the City of Crestview. CHELCO already operates within Crestview as a result of its historical presence in the area but now provides service pursuant to a franchise agreement with the City. CHELCO staffs a payment center inside the Auburn Water System offices, which is 3.4 miles from the development. The Auburn Water System will provide water utilities, even though the development is within the City of Crestview's corporate limits.

7. CHELCO has openly served the disputed area since the 1940s (approximately 70 years), and currently serves customers adjacent to the proposed development.

8. The initial load in Freedom Walk will be approximately 112 kW, and upon full build out, the anticipated load will be 3.7 MW. The south circuit of CHELCO's Auburn substation is designed to handle the full build out load of Freedom Walk (Exhibit "E"). The circuit is a loop-fed power line which will provide greater reliability to Freedom Walk than a single-source (radial) power line. Currently CHELCO services approximately 3,600 members from the Auburn substation.

9. As shown in Exhibit "C" to this petition, CHELCO currently has:

- a. A three-phase distribution line along the north border of the development property;
- b. A single-phase distribution line on the west border;
- c. A single-phase service which extends onto the parcel, which served a

residence. The Right-of-Way easement for this service is dated June 30, 1967, and is recorded in Okaloosa County; and

d. An easement dated 1994 extending onto the property.

In addition to the lines onto the property, CHELCO currently provides service to members who are contiguous to the Freedom Walk development.

10. In order to provide service for the anticipated demand created by Freedom Walk, CHELCO would simply need to extend facilities into the development from the existing three-phase power line on the north boundary. The looped feeder referenced above currently has capacity to serve the full build out load of Freedom Walk. Notably, Freedom Walk is designed to be served by underground utilities. More than 25% of CHELCO's system is underground. CHELCO's expertise in underground and overhead line design, construction and maintenance is reflected in the five-year Average Service Availability Index (ASAI) rating of 99.98%.

11. Unlike CHELCO which has a historical presence to this property, Gulf Power has no lines on the Freedom Walk development property nor any history of service to the property. Gulf does provide service along Highway 85N, which is east of the property, but has no service near the disputed area that is adequate to provide the needs of the development. CHELCO is already on the property, while it appears that Gulf would have to extend three-phase service almost one-half mile to reach the property with a radial power line. Looped feeders, like CHELCO's existing facilities, are usually much more reliable than radial feeders.

12. In April 2009, CHELCO informed the developer that the project was within CHELCO's service area, and it was CHELCO's intent to provide service to the development. Thereafter, CHELCO learned that Gulf Power desires to serve the development; in fact, signage

that includes the Gulf Power logo as the provider of electric power has been placed on the property.

13. Upon learning of Gulf Power's intent, CHELCO initiated efforts with Gulf to resolve the dispute over the service area. After exchanges of correspondence, some meetings between the companies took place. Gulf Power continues to assert its intent to extend service into CHELCO's historic service area, and there has been no resolution to this conflict.

14. CHELCO has historically and exclusively served the area to be developed as Freedom Walk and has the ability, capability, experience and willingness to provide reliable electric service to this property. CHELCO is capable of providing service needed by Freedom Walk with considerably less expansion and expense than Gulf Power. To allow Gulf Power to extend its lines to serve this area will result in uneconomic duplication of facilities and allow Gulf Power to encroach into an area served adequately by CHELCO for approximately 70 years. Additionally, allowing Gulf Power to selectively serve developments expected to be densely populated, in areas where CHELCO already has infrastructure investments, unfairly limits the ability of CHELCO to reduce total cost per member through increased density and utilization of existing facilities.

15. In support of this petition, CHELCO attaches the following Exhibits, some previously referenced:

Exhibit "A" - Map showing location of property;

Exhibit "B" - Aerial view of the property;

Exhibit "C" - Map showing existing facilities;

Exhibit "D" - Aerial view showing existing facilities;

Exhibit "E" - Auburn substation south circuit schematic showing existing facilities;

Exhibit "F" - Current estimate cost to serve Freedom Walk;

Exhibit "G" – Franchise Agreement with City of Crestview;

Exhibit "H" – Line Extension Policy approved by FPSC August 2008.

For the reasons enumerated, CHELCO requests that the Commission take jurisdiction of this cause and resolve the dispute by determining that the area in question is the historical service area of CHELCO, that CHELCO is entitled to serve the area, and that Gulf Power may not serve the area.

DATED this 24<sup>th</sup> day of May, 2010.

Respectfully submitted,



NORMAN H. HORTON, JR.

E. GARY EARLY

MESSER, CAPARELLO & SELF P. A.

Post Office Box 15579

Tallahassee, FL 32317

(850) 222-0720

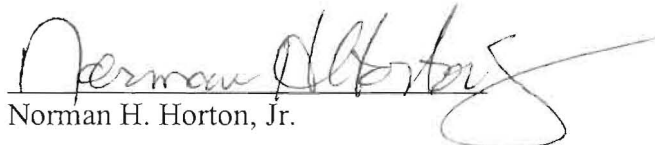
Attorneys for Choctawhatchee Electric Cooperative, Inc.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by U. S. Mail on this 24<sup>th</sup> day of May, 2010.

Ms. Susan D. Ritenour  
Secretary and Treasurer  
Gulf Power Company  
One Energy Place  
Pensacola, FL 32520-0780

Jeffrey A. Stone, Esq.  
Russell A. Badders, Esq.  
Steve R. Griffin, Esq.  
Beggs & Lane Law Firm  
P.O. Box 12950  
Pensacola, FL 32591-2950

  
Norman H. Horton, Jr.



EXHIBITS "A" THROUGH "E" ARE LARGE  
MAPS AND ARE PROVIDED SEPARATELY

[ maps  
forwarded to  
ECR ]



# Freedom Walk Cost Estimate

<u>Cost to Extend Three Phase Primary to Development</u>	\$0
<u>Cost to Build Underground Electric Infrastructure within Development for Full Build-Out</u>	\$759,638
<u>Refundable Amount (761 residential lots x \$625)</u>	- <u>\$475,625</u>
<u>Cost to Developer for Full Build-Out</u>	= <u>\$284,013</u>

**Note:**

1. All estimates based on:

- CHELCO Line Extension Policy (approved by FPSC August 2008)
- Information provided by Developer and/or Developer's engineering consultant as of May 18, 2010

2. Prepared on May 18, 2010

CHOCTAWHATCHEE ELECTRIC  
COOPERATIVE, INC.

Post Office Box 512  
DeFuniak Springs, Florida 32435

Phone 850.892.2111  
Toll-Free 800.342.0990  
Fax 850.892.9243  
Web www.chelco.com

EXHIBIT "F"



A Touchstone Energy Cooperative

4% 15yr  
2024

ORDINANCE NO. 1433

AN ORDINANCE GRANTING TO CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC., A CORPORATION, ITS SUCCESSORS AND ASSIGNS, THE RIGHT AND FRANCHISE TO MAINTAIN AND OPERATE AN ELECTRIC PLANT AND AN ELECTRIC TRANSMISSION AND DISTRIBUTION SYSTEM IN THE CITY OF CRESTVIEW AND TO CONSTRUCT, MAINTAIN, OPERATE AND EXTEND ELECTRIC TRANSMISSION AND DISTRIBUTION LINES IN THE STREETS AND PUBLIC PLACES OF SAID CITY; AND PROVIDING THE TERMS AND CONDITIONS OF SUCH GRANT, SEVERABILITY CLAUSE, REPEALING CLAUSE AND PROVIDING AN EFFECTIVE DATE.

SECTION 1. Granted of Franchise Privilege. In consideration of the benefits that will accrue to the City of Crestview and the inhabitants thereof, Choctawhatchee Electric Cooperative, a corporation under the laws of the State of Florida, its successors and assigns, hereinafter sometimes referred to as the Grantee, is hereby given, granted and vested with the right, authority, easement, privilege, and franchise to construct, erect, suspend, install, extend, renew, repair, maintain, operate and conduct in said City of Crestview a plant or plants and system for the generation, transmission and distribution of electric energy for all purposes whatsoever.

SECTION 2. Rights to Operate. The Grantee, its successors and assigns, is hereby further given, granted and vested with the exclusive right, authority, easement, privilege and franchise to construct, erect, suspend, install, extend, renew, repair, maintain, operate and conduct in the City of Crestview, a system of poles, towers, conduits, cables, conductors, transforming stations, fittings, appliances and appurtenances necessary or desirable to the transmission, distribution or sale of electric energy for all purposes whatsoever in, over, under, along, upon and across all streets, avenues, alleys, ways, bridges and public places in said City of Crestview, as they now exist or as they may hereafter be laid out or extended within the present and future limits of the City, together with the further right, privilege and franchise to construct, erect, suspend, install, extend, renew, repair and maintain and operate a system of poles, towers, conduits, cables, wires, conductors, transforming stations, generating stations, fittings and all appliances and appurtenances necessary or desirable to the generation and transmission within, unto, through, over and beyond the City of Crestview and to the furnishing, supplying and distributing to the City and the inhabitants and corporations both within and beyond the limits thereof, of electric energy for lighting, heating, power and all other purposes for which electric energy may be used now or hereafter, and for the purpose of extending its lines and furnishing electric energy beyond the limits of the City. Grantor retains the right to purchase or generate electric power for its own use but not for sale. The electric system, facilities and associated equipment and vehicles shall be located or relocated, erected or operated so as to interfere as little as possible with vehicular and pedestrian traffic over, along and across said public rights-of-way, streets, alleys, bridges, and public places and with reasonable egress and ingress to abutting and adjoining property.

SECTION 3. Franchise Area and Franchise Fee.

- (a) The franchise area shall include all customers of the Grantee located within the municipal boundaries of the City as now exist or any future annexation of additional unincorporated area within the municipal boundaries. The Grantor shall notify Grantee in writing within 30 days of the adoption of any ordinance annexing additional unincorporated areas within the municipal boundaries.
- (b) As a further consideration for the granting of the rights, privileges and franchises hereby granted, the Grantee, its successors and assigns, shall pay to the City within thirty (30) days after the first day of each month a franchise fee of four percent (4%) of grantee's revenue from the furnishing of electric service to customers served under all of its rate schedules within the corporate limits of the City collected during the preceding month. The percentage of such revenue to be collected by Grantee and paid to the City as a franchise fee may be changed by the City from time to time by ordinance at intervals of no less than five (5) years, provided that the percentage shall in no event exceed that permitted by law, The City may grant such exemptions from payment of the fee as it may provide by ordinance from time to time, at intervals of no less than five (5) years, within the limits allowed by law.

SECTION 4. Proper Operations. The poles, towers, conduits, cables, conductors, transforming stations, generating stations, fittings, appliances and appurtenances shall be constructed in accordance with good engineering practices and so as not to unreasonably interfere with the proper use and appearance of streets, avenues, alleys, ways, bridges, and public places in the City and shall be maintained in reasonably good condition and repair.

SECTION 5. Excavation Maintenance and Restoration. Whenever the Grantee shall cause any opening or alteration to be made in any of the streets, avenues, alleys, ways, bridges or public places of the City for the purpose of installing, maintaining, operating or repairing any poles, towers, conduits, cables or other appliances, the work shall be completed at Grantee's expense within a reasonable time and the Grantee shall upon the completion of such work restore such portions of the streets, avenues, alleys, ways or other public places to as good condition as it was before the opening or alteration was so made and will promptly remove any debris.

SECTION 6, Hold Harmless. The Grantor shall in no way be liable or responsible for any accident or damage which may occur due to the construction, location, relocation, operation or maintenance by the Grantee of said poles, towers, conduits, wires, cables and other appliances, equipment and vehicles subject to the terms and conditions of this franchise. The Grantee hereby agrees to indemnify the Grantor and to hold it harmless against any and all liability, loss, cost, damage or any expense connected therewith including a reasonable attorney's fee incurred in the defense of any

type of court action related hereto, which may accrue to the Grantor by reason of negligence, default or other misconduct of the Grantee in its construction, location, relocation, operating or maintenance of the facilities, vehicles, or equipment of the electric system subject to this franchise.

SECTION 7. LIABILITY INSURANCE. Grantee shall at all times during the franchise term maintain, at Grantee's cost, a commercial general liability insurance policy protecting Grantor against all claims or demands that may arise or be claimed on account of Grantee's use of Grantor's streets and rights of way as provided herein. The minimum limits of liability for the policy shall be Three Million Dollars (\$3,000,000) for injuries to persons in one accident, One Million Dollars (\$1,000,000) for any one person, and Two Hundred Fifty Thousand Dollars (\$250,000) for damages to property. Grantee shall furnish Grantor proof such insurance is in effect and remains in effect.

SECTION 8. Rates, Rules and Regulations.

- (a) All rates for electrical service and the rules and regulations governing the receipt of said service within the Grantor's limits, established by the Grantee from time to time, shall be reasonable and shall at all times be subject to such public regulation as may be provided by law. The Grantee recognizes its obligations to provide electric energy and power service within the City on reasonable terms and conditions at just, reasonable and nondiscriminatory rates to all who request said service during the term of this franchise and thereafter, as required by law or by duly constituted public regulatory body.
- (b) The Grantee agrees to file with the appropriate official of the City upon the request of the governing body of the City a complete set of rules and regulations and a complete set of tariffs or rate schedules under which electric service is provided within the City, Upon request from the governing body of the City, Grantee shall also furnish any revisions of rules, regulations, and rates that have been adopted since the last previous filing.
- (c) Grantor may, at its option and at its expense, and upon reasonable notice to Grantee, at any time within ninety (90) days after each anniversary date of this franchise examine the records of operations and accounting files, books and records as such records relate to the calculation of the franchise fee payments to the Grantor, as provided herein. The examination of such books, accounts, records or other materials necessary for determination of compliance with the terms, provisions and requirements of this franchise shall be during regular hours of business of the Grantee and at the corporate offices of the Grantee,

SECTION 9, Interruption of Service. In the event the supply of electric energy should be interrupted or fail by reason of accident or any cause beyond the

control of the Grantee, the Grantee shall, at its own expense, restore the service within a reasonable time and such interruption shall not constitute a breach of this franchise nor shall the Grantee be liable for any loss or damages by reason of such interruption or failure.

SECTION 10. Metering of Service. The Grantee shall install and maintain, free of charge, meters for measuring current, and shall have free access to the premises of the consumer, from time to time, for the purpose of reading repairing, testing and maintaining the meters and appurtenances. Such meters shall remain the property of the Grantee.

SECTION 11. Term of Franchise. The franchise granted by this ordinance shall exist and continue for a period of fifteen (15) years. The franchise granted by this ordinance is also subject to the terms and conditions of all applicable provisions of the Code of the City of Crestview.

SECTION 12. Forfeiture of this Franchise. Failure by the Grantee to comply in any substantial respect with any of the provisions, terms, or requirements of this Ordinance, shall be grounds for forfeiture of this franchise, but no such forfeiture shall take effect if the reasonableness and propriety thereof is timely protested and satisfactorily addressed or until a court of competent jurisdiction shall have found that the Grantee has failed to comply in a substantial respect with any of the provisions, terms, or requirements of this Ordinance. Both the Grantor and Grantee reserve the right of appeal of such court findings. The Grantee shall have six (6) months after the final determination of the question to make restitution or make good the default or failure before forfeiture shall result. The Grantor, at its discretion, may grant additional time to the Grantee for restitution and compliance as the necessities of the case may require.

SECTION 13. Review and Revision of Franchise Provisions. With the exception of the provisions of Section 10 concerning the term of this franchise and of Section 3 concerning periodic revision of the franchise fee, the City and Grantee may from time to time at the request of either party review any or all of the other provisions of this Ordinance and by mutual agreement revise any such provision, or add any additional provisions that may be appropriate. During the 120 days immediately proceeding each fifth anniversary date of this ordinance during the term that this franchise is in effect, representatives of the City and Grantee shall meet to decide whether any such revisions or additions are necessary.

SECTION 14. Other Franchises. Upon the request of the governing body of the City, Grantee shall furnish City a copy of all other municipal franchises that it is granted from time to time during the life of this franchise.

SECTION 15. Monitoring Performance and Compliance. In order to fully implement the revisions of this franchise, Grantee agrees that, upon request from Grantor, Grantee's representative will meet with the representative of Grantor in order to review the quality of services provided for under this franchise. For the purpose of this function, "service" shall be defined as the performance of such other duties, tasks and obligations as are generally and reasonably regarded as incident to the safe and satisfactory discharge of responsibilities in the electric utility industry.

SECTION 16. Electrical Interference. It will be the responsibility of the Grantee to locate, monitor, and eliminate or repair any of its equipment that may be causing

(RFI, TVI) electrical interference with the radio or television facilities in the City. Should the Grantor discover interference problems, the Grantee will be notified, in which case the Grantee will have reasonable time to correct the problem. Further, the Grantee shall not install or replace existing equipment with new or novel equipment which will have an adverse effect on the performance of the cable television system in the City.

SECTION 17. Tree Trimming. The Grantee shall be responsible for all tree trimming duties that are necessary to keep its power lines from being obstructed by limbs or branches. Reasonable care shall be exercised to preclude damage to City property. In the event of damage, Grantee will immediately inform the City of the extent and location of damage and be liable for said damages. The Grantee shall be expected to perform periodic inspections of its power lines within the City limits to assure that its lines are clear from the above-mentioned obstructions.

SECTION 18. Exclusivity of Ordinance Sections. Should any section or provision of this Ordinance or any portion hereof be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder, as a whole or any part hereof, other than the part declared to be invalid.

SECTION 19. Successors and Assigns. Whenever in this Ordinance either the City of Crestview or the Grantee is named or referred to, it shall be deemed to include the respective successor, successors or assigns of either, and all rights, privileges and obligations herein conferred shall bind and inure to the benefit of such successor, successors or assigns of the Grantor or the Grantee.

SECTION 20. Repealing Clause. All ordinances or parts of ordinances in conflict herewith be and the same hereby repealed to the extent of such conflict.

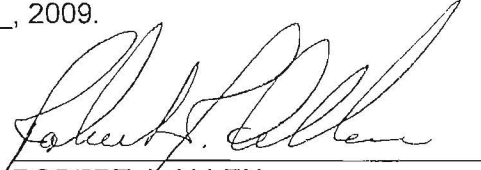
SECTION 21. Surrender of Rights. As a further consideration for the granting of the rights, privileges and franchises granted hereby, the Grantee surrenders all rights, privileges and franchises heretofore granted by the City of Crestview or the State of Florida for any of the purposes stated in Section 1 and 2 of this Ordinance and now enjoyed by Grantee in the City of Crestview. Provided, however, that such surrender shall not be effective unless and until this Ordinance shall be finally adopted and in effect and the rights, privileges and franchises granted hereby shall be validly in force and effect.

SECTION 22. Written Acceptance by Grantee. The Grantee, its successors or assigns, shall, within thirty (30) days after this Ordinance shall take effect, file a written acceptance of the Ordinance with the City Clerk of Crestview.

SECTION 23. Effective Date. This ordinance shall take effect upon passage.

PASSED AND ADOPTED BY THE CITY COUNCIL OF CRESTVIEW, FLORIDA ON  
THIS 26<sup>th</sup> DAY OF October, 2009.

ATTEST:

  
ROBERT J. ALLEN  
Council President

  
JANICE F. YOUNG  
City Clerk

APPROVED BY ME THIS 26<sup>th</sup> DAY OF October, 2009.

  
DAVID CADLE  
Mayor



§ 82-40

CRESTVIEW CODE

**Sec. 82-40. Computing upon monthly basis.**

In all cases where the seller of gas (natural or manufactured) collects the price therefor on a monthly basis, the tax levied by this division may be computed on the total amount of sales for such period, the tax to be computed to the nearest cent. (Code 1983, § 16-30; Ord. No. 998, § 2, 10-11-99; Ord. No. 1015, § 3, 1-10-00)

**Sec. 82-41. Appropriation of funds.**

All moneys accruing from the tax levied by this division are hereby appropriated and shall be paid into the general revenue fund of the city. (Code 1983, § 16-31)

**Sec. 82-42. Failure or refusal to pay tax; penalty.**

Any purchaser wilfully failing or refusing to pay the tax levied by this division, where the seller has not elected to assume and pay such tax, and any seller violating the provisions of this division, shall be punished as provided by section 1-11. (Code 1983, § 16-32)

**Secs. 82-43—82-55. Reserved.**

**DIVISION 3. ELECTRICITY, TELEGRAPH AND TELEPHONE SERVICE**

**Sec. 82-56. Levy of tax.**

There is hereby levied by the city on each and every sale of electricity, telegraph and telephone service in the city a tax equal to ~~ten~~ percent of the charge made by the seller of such electricity, telegraph or telephone service, as the case may be, which tax shall in every case be paid by the purchaser for the use of the city to the seller of such electricity, telephone or telegraph service at the time of paying the charge to the seller therefor, and not less often than monthly. (Code 1983, § 16-41)

**Sec. 82-57. Collection by seller; monthly payment to city; failure to collect or pay tax.**

(a) It shall be the duty of every seller of electricity, telegraph or telephone service in the city to collect from the purchaser for the use of the city, the tax levied by this division at the time of collecting the selling price or charge in each transaction, and report and pay over monthly to the city all such taxes.

(b) It shall be unlawful for any seller to collect the price of any sale of electricity, telegraph or telephone service in the city without at the same time collecting the tax levied by this division in respect to such sales, unless such seller shall elect to assume and pay such tax without collecting the tax from the purchaser thereof.

(c) Any seller failing to collect the tax levied by this division at the time of collecting the price of such sale, where the seller has not elected to assume and pay such tax, shall be liable to the city for the amount of such tax in like manner as if the tax had been actually paid to the seller, and the city clerk and mayor shall bring and cause to be brought all such suits and actions, and take all such proceedings, as may be necessary for the recovery of such tax.

(d) If any purchaser shall fail, neglect or refuse to pay to the seller the seller's charge and tax levied by this division and as required by this division on account of the sale for which such charge is made, or either, the seller shall have and is hereby invested with the right to immediately discontinue further service to such purchaser until the tax and such seller's bill have been paid in full. (Code 1983, § 16-42)

**Sec. 82-58. Records of seller; inspection by city.**

Each and every seller of electricity, telegraph or telephone service on which a tax is levied by this division shall keep complete records showing all sales in the city of such electricity, telegraph and telephone service, which records shall show the price charged for each sale, the date thereof, and the date of payment thereof, and shall, at all

COPY

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

## **Electric Line Extension Policy**

### **Residential and Non-Demand General Service**

A line extension, for purposes of this policy, shall include all incremental capital costs associated with connecting a new member to the delivery system, excluding the cost of a standard transformer, service line (the connection between the transformer and the meter), and meter.

#### **(A) Extension to Single Service**

- (1) Choctawhatchee Electric Cooperative, Inc. in extending service to a permanent residential or business member that will be served pursuant to its Residential Rate RS or General Service Non-Demand Rate GS shall charge a contribution in aid of construction ("CIAC") on the cost of providing service in excess of \$625.00.
- (2) If, within a 5 year period, additional members take service (i.e. transformer, service line and meter) from the original line extension, but not laterals or extensions there from, the original applicant shall be refunded the lesser of the original contribution or \$625.00 for each additional member taking service, up to the amount of the original applicant's contribution. In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

#### **(B) Electric Extension to a Development**

- (1) When an electric extension to a development is requested prior to actual construction or occupation of the project, CHELCO will charge a CIAC as follows:

EXHIBIT "H"

Issued by: James E. Smith  
CEO and General Manager

Effective: August 1, 2008

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-08-012

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: August 11, 2008

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

FOURTH REVISED SHEET NO. 5.2  
CANCELLING THIRD REVISED SHEET NO. 5.2

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

(Continued from Sheet No. 5.1)

- Collect an upfront design review fee of \$750
  - \$750 covers maximum of 16 hours of work
  - \$75/hr for additional design/review
- Collect the full cost of construction for the development
- Developer will be eligible for a refund of \$625.00 per lot following permanent service for up to five years from the date of the signed subdivision agreement.

(2) All line extension contracts and agreements between CHELCO and a developer, existing as of the effective date of this policy, will remain in effect unless cancelled by either party in accordance with the terms of the existing agreement.

(C) **Extension to a Condominium Building**

When an electric extension to a Condominium is requested, CHELCO will charge a CIAC as follows:

- Collect an upfront design review fee of \$750
  - \$750 covers maximum of 16 hours of work
  - \$75/hr for additional design/review
- Collect the full cost of construction
- Developer will be eligible for a refund of \$625.00 per unit following permanent service for up to five years from the date the meter template form is signed.
- In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(D) **Extension to an Apartment Building**

When an electric extension to an Apartment building is requested, CHELCO will charge a CIAC as follows:

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-08-012

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: August 11, 2008

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

THIRD REVISED SHEET NO. 5.3  
CANCELLING SECOND REVISED SHEET NO. 5.3

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

(Continued from Sheet No. 5.2)

- Collect an upfront design review fee of \$750
  - \$750 covers maximum of 16 hours of work
  - \$75/hr for additional design/review
- Collect the full cost of construction
- Developer will be eligible for a refund of \$625.00 per unit when the developer provides proof of a one year signed lease agreement for each unit to CHELCO. Developer is only eligible for the refund one time per unit.
- In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

(E) **Extension to Other Structures**

- (1) When service is extended to a other structures (which includes, but is not limited to, electric fences, RV hook-ups, water pumps, sheds, hunting camps, out buildings, and fish camps), the applicant will make a CIAC equal to the total installed cost of extending service.
- (2) If, within a 5 year period, additional members take service (i.e. transformer, service line and meter) from the original line extension, but not laterals or extensions there from, the original applicant shall be refunded the lesser of the original contribution or \$625.00 for each additional member taking service, up to the amount of the original applicant's contribution. In no event shall the original applicant be refunded an amount greater than the initial CIAC. The original applicant must continue to own the property for which service was requested to be eligible for refunds. It is the responsibility of the applicant to request refunds from the Cooperative.

**General Service Demand and Large Power**

CHELCO, in extending service to a permanent member that will *not* be served pursuant to Residential Rate RS or General Service Non-Demand Rate GS shall charge a CIAC equal to the total installed cost of extending electric service to the

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-08-012

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: August 11, 2008

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

SECOND REVISED SHEET NO. 5.4  
CANCELLING FIRST REVISED SHEET NO. 5.4

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

(Continued from Sheet No. 5.3)

customer. After the initial 30 months (2.5 years) of service, CHELCO shall perform a revenue test to determine what amount, if any, of the original contribution that will be refunded to the member. CHELCO shall refund to the member an amount equal to the member's actual net revenue during the initial 30 months of service, up to but not exceeding the member's original CIAC. The member's actual net revenue shall be determined by subtracting purchase power costs from the member's total bill before taxes for the first 30 months.

If the member requesting service has similar existing facilities in other locations that would allow CHELCO to accurately forecast the member's annual net revenue, CHELCO may not collect the full cost of the extension prior to the member receiving service. Instead CHELCO would perform a revenue test to determine the amount of the initial CIAC. If the cost of extending service to the member is less than 2.5 times the member's estimated annual net revenue, no CIAC is required from the member. If the cost of extending service to the member is greater than 2.5 times the member's estimated annual net revenue, the member shall be required to make a CIAC toward the total installed cost of extending service. The member's CIAC shall be determined by subtracting from the cost of extending service, an amount equal to 2.5 times the member's estimated annual net revenue.

However, in the event that the full cost of extending service is not collected prior to the member taking service, CHELCO will, at the end of the initial 30 months of service, perform a revenue test to determine if a CIAC will be required from the member. If the initial cost of extending service to the member is less than the member's actual net revenue for the first 30 months, no additional CIAC is required from the member. If the cost of extending service to the member is greater than the member's actual net revenue for the first 30 months, an additional CIAC may be required from the member. The additional CIAC, if any, shall be determined by comparing the Contribution amount determined by applying 2.5 times the estimated net revenue when the member initially took service, and the contribution amount determined by examining the member's actual net revenue for the first 30 months of service. If the contribution amount determined from the member's actual net revenue is greater than the contribution amount determined using the member's estimated net revenue, the member shall make an additional CIAC equal to the difference in the contribution amount determined from the member's actual revenue and the contribution amount determined from the member's estimated revenue. In no case shall any of the member's initial contribution be refunded.

Issued by: James E. Smith  
CEO and General Manager

Effective: August 1, 2008



FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-08-012

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: August 11, 2008

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION

FIRST REVISED SHEET NO. 5.5  
CANCELLING ORIGINAL SHEET NO. 5.5

NAME OF UTILITY CHOCTAWHATCHEE ELECTRIC COOPERATIVE, INC.

THIS PAGE INENTIONALLY LEFT BLANK

Issued by: James E. Smith  
CEO and General Manager

Effective: August 1, 2008

FLORIDA PUBLIC SERVICE COMMISSION

**APPROVED**

AUTHORITY NO. CE-08-012

DOCKET NO. N/A

ORDER NO. N/A

APPROVED: August 11, 2008

*Tim Devlin*

DIRECTOR  
DIVISION OF ECONOMIC AND REGULATION