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STATE OF FLORIDA SUPREME COURT

CASE NO. 80,712

CLERK, SUPREME COURT

By._____Chief Deputy Clerk

FORT PIERCE UTILITIES AUTHORITY,

Appellant,

vs.

FLORIDA PUBLIC SERVICE COMMISSION,

Appellee.

ON APPEAL FROM FLORIDA PUBLIC SERVICE COMMISSION

INITIAL BRIEF FOR APPELLANT

FREDERICK M. BRYANT FL BAR ID #0126375

WILLIAM J. PEEBLES FL BAR ID #0282741

Moore, Williams, Bryant, Peebles & Gautier, P.A. Post Office Box 1169 Tallahassee, Florida 32302 904/222-5510

Attorneys for Appellant Fort Pierce Utilities Authority

ISSUES PRESENTED FOR REVIEW

- I. THE FLORIDA PUBLIC SERVICE COMMISSION FAILED TO PROPERLY APPLY THE NO DETRIMENT TEST PREVIOUSLY ENUNCIATED BY THIS COURT.
- II. THERE IS NO COMPETENT SUBSTANTIAL EVIDENCE TO SUPPORT A FINDING OF A DETRIMENT TO THE PUBLIC INTEREST.

TABLE OF CONTENTS

Issues Presented for	· Reviewi
Table of Contents	ii
Table of Authorities	iii
Statement of the Cas	e and Facts1
Summary of the Argum	ent6
Argument:	
PROPERLY APPLY	LIC SERVICE COMMISSION FAILED TO THE NO DETERIMENT TEST ICIATED BY THIS COURT
SUPPORT A FINDI	PETENT SUBSTANTIAL EVIDENCE TO NG OF A DETRIMENT TO THE PUBLIC
Conclusion	

<u>Cases</u>

<u>De Witt v. Miami Transit Co.</u> , 95 So. 2d 898 (Fla. 1957)8
<u>In re: Application of Florida Power Corp. & the City of</u> <u>Leesburg for Approval of a Territorial Agreement</u> <u>relating to Service Areas</u> , 83 F.P.S.C. 7:398 (1983)9
<u>In re: Florida Power & Withlacoochee River Elec. Order</u> <u>Approving Territorial Agreement</u> , 79 F.P.S.C. 6:54 (1979)9
In re: Joint Motion for approval of territorial
<pre>agreement and dismissal of territorial dispute, 92 F.P.S.C. 9:679 (1992)</pre>
52 111.0.00 5.075 (1552).00000000000000000000000000000000000
<u>In re: Petition of Florida Power Corp. and Withlacoochee</u> <u>River Elec. Coop. for Approval of Territorial Agreement</u> , 88 F.P.S.C. 6:215 (1988)9
<u>In re: Territorial Agreement Between Peoples Gas Sys., Inc.</u> <u>& City Gas Co. of Fla.</u> , Docket No. 6231-GU, Order No. 3051, at 1 (Fla. Pub. Serv. Comm'n, Nov. 9, 1960)
Lotspeich Co. v. Neogard Corp., 416 So. 2d 1163 (Fla. 3d DCA 1982)8
<u>Storey v. Mayo</u> , 217 So. 2d 304 (Fla. 1968)8
<u>Utilities Comm'n of New Smyrna Beach v. Florida Public</u> <u>Service Comm'n</u> , 469 So. 2d 731 (Fla.1985).3,7,8,9,10,12,13, 14,15,22
Statutes

366.04	(3),	Fla.	Stat.	(1991))					• • •			• •	•••	• • •	3
366.04	(5),	Fla.	Stat.	(1991))					• • •			• •	••		3
366.80,	Fla.	Stat	. (199	1)									• •	•••		.19
366.81,	Fla.	Stat	. (199))										•••		.19
366.82,	Fla.	Stat	. (199))												.19
	366.04 366.04 366.80, 366.81,	366.04 (3), 366.04 (5), 366.80, Fla. 366.81, Fla.	366.04 (3), Fla. 366.04 (5), Fla. 366.80, Fla. Stat 366.81, Fla. Stat	366.04 (3), Fla. Stat. 366.04 (5), Fla. Stat. 366.80, Fla. Stat. (199 366.81, Fla. Stat. (199	366.04 (3), Fla. Stat. (1991) 366.04 (5), Fla. Stat. (1991) 366.80, Fla. Stat. (1991) 366.81, Fla. Stat. (1991)	366.04 (3), Fla. Stat. (1991) 366.04 (5), Fla. Stat. (1991) 366.80, Fla. Stat. (1991) 366.81, Fla. Stat. (1991)	366.04 (3), Fla. Stat. (1991) 366.04 (5), Fla. Stat. (1991) 366.80, Fla. Stat. (1991) 366.81, Fla. Stat. (1991)	366.04 (3), Fla. Stat. (1991) 366.04 (5), Fla. Stat. (1991) 366.80, Fla. Stat. (1991) 366.81, Fla. Stat. (1991)	366.04 (3), Fla. Stat. (1991) 366.04 (5), Fla. Stat. (1991) 366.80, Fla. Stat. (1991) 366.81, Fla. Stat. (1991)	366.04 (3), Fla. Stat. (1991) 366.04 (5), Fla. Stat. (1991) 366.80, Fla. Stat. (1991) 366.81, Fla. Stat. (1991)	366.04 (3), Fla. Stat. (1991) 366.04 (5), Fla. Stat. (1991) 366.80, Fla. Stat. (1991) 366.81, Fla. Stat. (1991)	366.04 (3), Fla. Stat. (1991) 366.04 (5), Fla. Stat. (1991) 366.80, Fla. Stat. (1991) 366.81, Fla. Stat. (1991)	366.04 (3), Fla. Stat. (1991)	366.04 (3), Fla. Stat. (1991) 366.04 (5), Fla. Stat. (1991) 366.80, Fla. Stat. (1991) 366.81, Fla. Stat. (1991)	366.04 (3), Fla. Stat. (1991) 366.04 (5), Fla. Stat. (1991) 366.80, Fla. Stat. (1991) 366.81, Fla. Stat. (1991)	366.04 (2), Fla. Stat. (1991) 366.04 (3), Fla. Stat. (1991) 366.04 (5), Fla. Stat. (1991) 366.80, Fla. Stat. (1991) 366.81, Fla. Stat. (1991) 366.82, Fla. Stat. (1991)

<u>Rules</u>

Fla.	Admin.	Code	Rule	25-6.044015
Fla.	Admin.	Code	Rule	25-6.0441

<u>Law Reviews</u>

<u>Miscellaneous</u>

18	Fla.	Admin.	Weekly 190	3 (Mar.	27,	1992)19
18	Fla.	Admin.	Weekly 339	9 (June	12,	1992)

STATEMENT OF THE CASE AND FACTS

This is an appeal from an order of the Florida Public Service Commission denying approval of a territorial agreement reached by two competing utilities, Florida Power and Light Company ("FPL") and Fort Pierce Utility Authority ("FPUA"). In re: Joint Motion for approval of territorial agreement and dismissal of territorial dispute, 92 F.P.S.C. 9:679 (1992). FPL is a private corporation, which is authorized by state law to furnish electricity and power throughout the State of Florida. (R-27). FPUA is a municipal corporation, which exists and is organized pursuant to City of Fort Pierce Ordinance No. F-399. Ft. Pierce, Fla. Ordinance No-F-399. FPUA is part of the government of the City of Fort Pierce, responsible for the exclusive control and management of the City's utilities. Id. FPUA serves the City of Ft. Pierce and the surrounding area, encompassing approximately 47 square miles and serving approximately 24,000 customers. [Transcript of hearing held June 18, 1992, at 158, (hereinafter "TR")].

Presently and for the last several years, both utilities have been furnishing electricity to customers residing in areas inside and outside the city limits of Fort Pierce. (R-27). In competing to provide electric service in the same area without a territory agreement, FPL and FPUA have duplicated distribution facilities and have created numerous pockets of areas where customers served by

FPL are totally surrounded by FPUA facilities. (TR-160). This competition has led to the inefficient use of each utility's facilities, to confusion in ownership of existing facilities, and to the existence of safety hazards due to the presence of adjacent electric facilities. (TR-54-56, 162-163).

Beginning in the late 1970's, FPL and FPUA entered into negotiations with the intent to formalize a mutually acceptable territorial agreement. (TR-160-161). After many failed attempts to reach an accord, FPL filed a Petition to Resolve Territory Dispute against the City of Ft. Pierce with the Public Service Commission in October of 1989. The petition indicated that the existing conflict between the parties in the provision of electr was in the areas outside the corporate limits of Fort those limits existed on July 1, 1974. (R-3).

It was not until approximately two years after the filing FPL's petition that FPL and FPUA reached an agreement settling their dispute. (TR-160-161). In order to avoid and eliminate overlapping service areas and duplication of service facilities, the parties agreed to establish a territorial boundary by which each utility was reserved a specific service territory. (R-29). In addition, the parties agreed to transfer certain customer accounts and distribution facilities. (R-30). To comply with the newly formed territory boundary, FPL proposed to transfer approximately 3,200 accounts from ten areas of residential and commercial customers. (TR-58, 317). In turn, FPUA proposed to transfer

approximately 900 accounts from four areas of residential and commercial customers. (TR-58, 317). The largest area being transferred to FPUA under the proposed agreement is the predominantly residential area of North Hutchinson Island. (TR-317).

On January 29, 1992, FPL and FPUA filed with the Public Service Commission a Joint Petition for Approval of a Territorial Agreement and Dismissal of the Territorial Dispute. The Commission has exclusive jurisdiction over FPL and FPUA for the purpose of approving territorial agreements and of resolving territorial disputes. § 366.04(2), Fla. Stat. (1991) The Commission has further statutory jurisdiction over FPL and FPUA for the planning, development, and maintenance of a coordinated electric power grid and for the avoidance of uneconomic duplication of generation, transmission, and distribution facilities. § 366.04(3), Fla. Stat. (1991). To further these objectives, the Commission has a duty to approve proposed territory agreements unless it determines that the proposed agreement works a detriment to the public interest. Utilities Commission of New Smyrna Beach v. Florida Public Service Commission, 469 So.2d 731 (Fla. 1985).

On March 27, 1992, the Public Service Commission issued a Notice of Proposed Agency Action approving the territorial agreement. 92 F.P.S.C. 3:440 (1992); (R-199). The preliminary order stated that the proposed agreement satisfied the intent of Section 366.04(5), Florida Statutes (1991), of avoiding uneconomic

duplication of generation, transmission, and distribution facilities in the state and that the agreement was in the best interest of the general body of ratepayers. <u>Id</u>. at 441.

As a result of protests filed by customers, primarily from North Hutchinson Island, a customer hearing was held on June 1, 1992. The North Hutchinson Island residents objected to the proposed transfer to FPUA. [Transcript of customer service hearing held June 1, 1992, at 1-113 (hereinafter "Customer TR")]. The majority of customers complained that no duplication of facilities existed on the island, that the transfer would result in the loss of certain conservation programs and that the rates of FPUA were higher than those of FPL. (Customer TR-18, 20-26, 30-31, 50-52, 59, 62, 65-66, 73-74, 86-87).

A final hearing was subsequently held before the Commission on June 18, 1992. Three months later, Commissioners Clark and Easley issued an order denying approval of the settlement agreement reached by FPL and FPUA. <u>In re:</u> Joint Motion for approval of <u>territorial agreement and dismissal of territorial dispute</u>, 92 F.P.S.C. 9:679 (1992); (R-270). Limiting its analysis to the agreement's alleged detriment to the customers residing in North Hutchinson Island, the commissioners concluded that the territory agreement between FPL and FPUA did not serve the public interest, even though the agreement eliminated needless and wasteful

expenditures and provided increased reliability to all affected customers. FPUA filed a Notice of Appeal to this Court on October 27, 1992. (R-277).

SUMMARY OF THE ARGUMENT

The Public Service Commission has an affirmative duty to balance the interests of all customers affected by a proposed transfer when approving a territorial agreement between utilities. The Commission must consider both the benefits and harms of a proposed agreement. In addition, it must consider whether the agreement furthers the statutory objective of avoiding uneconomic duplication of facilities. Only after these interests are properly weighed can the Commission make a determination as to whether the agreement as a whole works a detriment to the public interest.

In rejecting the agreement proposed by FPL and FPUA, the Commission failed to balance the benefits and harms of the proposed agreement. The Commission based its decision almost exclusively on the alleged detriment to the residents of North Hutchinson Island. The Commission failed to consider the resulting benefits of the agreement of increased reliability, elimination of facility duplication, and elimination of overlapping service areas. In fact, the Commission's final order is void of any discussion of whether the agreement serves the public interest in the disputed areas. The Commission limits its analysis to FPUA's capacity to meet future growth on North Hutchinson Island and to the availability of conservation programs to North Hutchinson Island residents. Even if the transfer would result in a detriment to these residents, this fact alone cannot support a finding of an

overall detriment to the public as a whole.

Moreover, even if the Commission had properly applied the standards enunciated in <u>Utilities Commission of New Smyrna Beach v.</u> <u>Florida Public Service Commission</u>, 469 So.2d 731 (Fla. 1985), there is no competent substantial evidence in the record to support a finding of a detriment to affected customers of both utilities.

The policy of this State favoring mutual settlement of disputes militates against permitting the Commission to abandon the statutory objectives of reducing overlapping and duplicative service areas in approving territorial agreements. The proposed agreement between FPL and FPUA eliminates competition without protracted litigation. It further serves the public interest in providing for an organized, concentrated service area and in avoiding existing and future duplication of facilities. When an agreement settling a territorial dispute serves the public interest, the Commission's refusal to approve the agreement is not justified by protecting the interests of a particular locality.

I. THE FLORIDA PUBLIC SERVICE COMMISSION FAILED TO PROPERLY APPLY THE NO DETRIMENT TEST PREVIOUSLY ENUNCIATED BY THIS COURT.

The long standing policy of this State is to encourage the settlement of disputes by mutual agreement. Settlements are highly favored in the law since they are a means of amicably resolving disputes and of preventing protracted litigation. <u>Utilities Comm'n</u> <u>City of New Smyrna Beach v. Florida Public Serv. Comm'n</u>, 469 So.2d 731, 732 (Fla. 1985); <u>De Witt v. Miami Transit Co.</u>, 95 So.2d 898, 890 (Fla. 1957); <u>Lotspeich Co. v. Neogard Corp.</u>, 416 So.2d 1163, 1164-65 (Fla. 3d DCA 1982). Nowhere in the law is this policy more germane than in the area of territorial agreements. Explosive population growth in the State of Florida has resulted in increasing conflict and competition between utilities as they expand their service areas in order to serve new customers in surrounding areas. Richard C. Bellak & Martha C. Brown, <u>Drawing the Lines: Statewide Territorial Boundaries for Public Utilities in Florida</u>, 19 Fla. St. U. L. Rev. 407, 407 (1991).

Early on, this Court in <u>Storey v. Mayo</u>, 217 So.2d 304 (Fla. 1968), recognized the harm caused by territorial conflicts. In <u>Storey</u>, this Court stated:

[P]rior to the subject agreement, the Company and the City actively competed for customers in the suburban areas. This, of course, required duplicating, paralleling and overlapping distribution systems in the affected areas. This duplication of lines, poles, transformers and other equipment not only marred the

appearance of the community but it also increased the hazards of servicing the area. Such overlapping distribution systems substantially increase the costs of service per customer because they simply mean that two separate systems are being supplied and maintained to serve an area when one should be sufficient. Obviously, neither system receives maximum benefit from its capital invested in the area. Id. at 306.

Territorial agreements are, therefore, sanctioned and actively encouraged both as a means to avoid the harms incident to competitive practices and as a means of resolving disputes between utilities. <u>Utilities Comm'n</u>, <u>supra;</u> <u>In re: Petition of Florida</u> <u>Power Corp. and Withlacoochee River Elec. Coop. for Approval of</u> Territorial Agreement, 88 F.P.S.C. 6:215 (1988).

The Public Service Commission has consistently followed a policy of favoring and encouraging territorial agreements between competing utilities. <u>In re: Florida Power & Withlacoochee River Electric Order Approving Territorial Agreement</u>, 79 F.P.S.C. 6:54 (1979); <u>In re: Application of Florida Power Corp. and the City of</u> <u>Leesburg for Approval of a Territorial Agreement Relating to</u> <u>Service Areas</u>, 83 F.P.S.C. 7:398 (1983). The Commission's stated rationale for pursuing this policy is as follows:

> It is our opinion that territorial agreements, which will minimize, and perhaps even eliminate, unnecessary and uneconomical duplication of plant and facilities, which invariably accompany expansions into areas already served by a competing utility, are definitely in the public interest and should be encouraged and approved by an agency such as this, which is charged with the duty of regulating public utilities in the public interest. <u>In</u> <u>re: Territorial Agreement Between Peoples Gas Sys., Inc.</u> <u>and City Gas Co. of Fla.</u>, Docket No. 6231-GU, Order No. 3051, at 1 (Fla. Pub. Serv. Comm'n, Nov. 9, 1960).



In <u>Utilities Comm'n City of New Smyrna Beach v. Florida Public</u> <u>Serv. Comm'n</u>, 469 So.2d 731 (Fla. 1985), this Court clearly delineated the standard which the Commission is required to utilize in its review of territorial agreements. In that case, the PSC had denied approval of the territorial agreement on the sole ground that the transfer of a group of customers located in an area known as South Beach (who had protested the provision of the proposed territorial agreement which would have transferred their service from Florida Power and Light to the Utilities Commission of the City of New Smyrna Beach) would not result in any benefit to that group of customers. This Court reversed, holding:

> The PSC order appeal on focuses almost exclusively on lack of substantial the benefits to those customers in the South Beach area, rather than addressing the merits of the territorial agreement as a whole. The PSC should base its approval decision on the effect the territorial agreement will have on affected customers all in the formerly just disputed territory, not whether transferred customers will benefit.

> We do not relegate the PSC to a "rubber stamp" role in approving territorial agreements. The PSC has the responsibility to ensure that the territorial agreement works no detriment to the public interest. We find this situation analogous to that in transfer of utility asset cases, where other courts have had that the public need not be benefitted by the transfer so long as the public suffers no detriment thereby.... For PSC approval, any customer transfer in a proposed territorial agreement must not harm the public. (footnote omitted) (citations omitted) <u>Id</u>. at 732-733.

There are two key components to the test enunciated by the Court in that case. First, the Commission should consider the effect which the agreement will have on all customers in the disputed area. The disputed area in the action below was "all areas outside of Fort Pierce's city limits as those limits existed on July 1, 1974." (R-3). Second, the Commission should not look to determine whether a public benefit results from the proposed Instead, the Commission must determine whether the agreement. agreement would create an overall detriment to all affected customers. In the proceeding below, the Commission completely failed to properly apply the test previously enunciated by this Court.

The order below focuses exclusively on the customers who protested the proposed agreement, that is, the 2,100 FPL customers residing on North Hutchinson Island who would be transferred to the FPUA system. The order, for example, recites the following:

North Hutchinson Island was not named in the petition as an area subject to dispute... FPUA proposed to transfer approximately 900 customers to FPL and FPL proposed to transfer approximately 3,200 customers to FPUA, 2,100 of whom were residents of North Hutchinson Island... Many of the customers who testified were residents of North Hutchinson Island... Other customers testified that North Hutchinson Island was not part of the dispute between FPUA and FPL; that there is no duplication of services on North Hutchinson Island, but that the Island was a pawn in the territory swap between the utilities... The record reflects that North Hutchinson was not named in the original petition... While the customers of North Hutchinson Island expressed a strong preference to remain with FPL... The director of FPUA stated at a City Commission meeting that FPUA does not have the capacity, without expanding, to meet the projected growth of its

existing territory or to meet the growth in <u>North</u> <u>Hutchinson Island</u>... A number of FPL's customers residing on <u>North Hutchinson Island</u> testified that they benefit from these [conservation], programs... We find that FPL's 2,100 customers on <u>North Hutchinson Island</u> would suffer a detrimental loss of conservation benefits if they were transferred to FPUA... We have given some consideration to the fact that <u>North Hutchinson Island</u> was not an area that was subject to duplication of facilities. <u>In re: Joint Motion for approval of</u> <u>territorial agreement and dismissal of territorial</u> <u>dispute</u>, 92 F.P.S.C. 9:679, 679-684 (1992); (R-270-275).

In fact, the Commission barely pays lip service to the mandate that it consider the effect of the agreement on all affected customers. The Commission in its order states, "Since the number of customers who will have their conservation programs reduced or eliminated is greater than the number of customers who reside in areas of duplication, we find that the public interest would not be served by approval of this territorial agreement." Id. at 683 (R-275). This analysis is flawed for at least two reasons. Utilities <u>Comm'n</u> requires a consideration of the effect of the agreement on all customers in the formerly disputed territory. Here, the number of customers in the formerly disputed territory is substantially larger than just those customers who are to be transferred from one utility to the other. Moreover, the simple exercise performed here of counting customers to be transferred in order to determine whether more conservation will be achieved with or without approval of the agreement ignores the fact that a number of the customers being transferred from the FPUA system to FPL are commercial customers with substantially larger electric demand than the

primarily residential customers who would be transferred from the FPL system to the FPUA system.

More importantly, however, this simplistic analysis avoids what should be the proper scope of the Commission's inquiry in reviewing territorial agreements. Even if the Commission had properly determined that the approval of the agreement would result in some net loss of conservation opportunities available to FPL customers, the Commission should have then undertaken to balance that detriment against the benefits which flow from this territory agreement and which were described in detail by the witnesses of both FPL and FPUA. It should not be enough, as the Commission has done here, to simply find some negative impact which might result from the proposed agreement and conclude that the agreement should not be approved.

Finally, and most importantly, the Commission has totally failed to apply the "no detriment" test enunciated in <u>Utilities</u> <u>Comm'n</u>. The Commission again has required the utilities which were parties to a proposed territory agreement to demonstrate a benefit to the public interest, directly contrary to the holding of Utilities Comm'n. The Commission's Final Order provides

> There may, of course, be many situations where it would be in the public interest to approve the transfer of territories not part of an original dispute or actually subject to Based on the record in this duplication. proceeding, as we described earlier, we do not find such a transfer to be in the public <u>interest</u> here. In re: Joint Motion, 92 F.P.S.C. 9:679, 684; (R-275). (emphasis added)

The Commission has completely failed to properly apply the test laid down in <u>Utilities Comm'n</u>, to weigh the overall impact of the agreement on the customers of both utilities in the disputed area, and to determine whether the agreement would result in a net detriment to the public interest.

II. THERE IS NO COMPETENT SUBSTANTIAL EVIDENCE TO SUPPORT A FINDING OF A DETRIMENT TO THE PUBLIC INTEREST.

The Commission's Order below is premised on its resolution of two issues: the ability of FPUA to provide reliable service and the effect of the proposed transfers on energy conservation. Not only does the Commission erroneously apply the standard enunciated in <u>Utilities Comm'n</u> to these two issues, but there is no competent substantial evidence in the record to support a finding that a detriment would result to the customers of both utilities in the formerly disputed areas were the agreement to be approved.

The Commission in its order states, "Under these circumstances we find that FPUA has failed to sustain its burden in this proceeding to establish its ability to provide reliable service in either its existing territory, or in the territory proposed to be transferred." In re: Joint Motion, 92 F.P.S.C. 9:679, 683; R-274. Initially, it should be noted this is a misapplication of the standard contained in the Commission's own rule, which provides in part: "Standards for approval. In approving territorial agreements the Commission may consider but not be limited to consideration of:... (B) the reasonable likelihood that the agreement in and of itself, will not cause a decrease in the reliability of electrical service to the existing or future ratepayers of any utility party to the agreement;" Rule 25-6.0440(2)(b), F.A.C. The appropriate burden of proof, under the Commission's rule, is that no decrease

in reliability will result from the agreement. The Commission, in examining the issue of reliability, concludes that because FPUA does not keep detailed consumer complaint and outage records, that it was impossible to compare the reliability of FPUA to that of FPL. In fact, FPL consumer outage and complaint records were not a part of the record either. Such records are certainly not the only evidence by which reliability is judged. In fact, in this instance, the proper focal point is not whether FPUA presently provides reliable service, but rather whether the transfers contemplated by the agreement will result in decreased reliability to existing and future ratepayers.

The record demonstrates that the proposed transfer will not result in any decrease in reliability to the residents of North Hutchinson Island or in other areas to be transferred. In fact. the proposed transfer will more than likely result in an increase First, the agreement provides that the in reliable service. existing facilities owned by FPL, which are currently servicing North Hutchinson Island, will be transferred to FPUA. (TR-130, 270). Consequently, the residents of North Hutchinson Island will not experience any significant change in reliability since they will be served with the same facilities that are currently servicing the island. Moreover, Mr. Peterson, a distribution designer for FPL, reviewed the facilities of both utilities and found no difference in construction standards existed between the utilities. (TR-143-144). In his expert opinion, the proposed

transfer of customers will not cause any decrease in reliability. (TR-144).

Second, the agreement was structured so that both utilities will retain approximately the same kilowatt sales and load. (TR-168). Mr. Arsuaga, who prepared estimates of transferred loads and facilities, testified that the net increase in FPUA's load after the proposed transfers will be approximately 1.6 to 2 megawatts. (TR-381). Mr. Arsuaga provided a detailed summary of the numerous power resources that FPUA has available to meet its system load. (TR-381-382). These resources include an agreement with the City of Vero Beach under which FPUA and the City jointly dispatch their respective generating and purchased power resources to supply the combined electrical loads of both utilities. (TR-379). Mr. Arsuaga went on to conclude that the increase to FPUA's load, which is less than .4 percent of FPUA's projected 1992 peak system demand, will have no material effect on FPUA's long-term power supply plan. (TR-385).

In addition, Mr. Schindehette unequivocally testified that FPUA currently had the ability to handle the load of the entire area encompassed in the territorial agreement, including North Hutchinson Island, without adding to its power supply. (TR-196-199). In response to a misinterpretation of an earlier statement regarding FPUA's capacity to handle future growth, Mr. Schindehette explained that FPUA could handle normal growth on North Hutchinson Island with the planned expansion of the Vero Beach combined cycle

generating unit. (TR-229). He emphasized that most utilities are incapable of handling future growth without expanding since most utilities function at capacity. (TR-227-229).

Finally, if the territorial agreement is approved, FPUA will immediately begin to implement its plan to improve the transmission lines to North Hutchinson Island and to install an emergency distribution tie line connected with Vero Beach. (TR-200-201, 270-273). The improved transmission lines will increase reliability by looping a transmission line through North Hutchinson Island to South Hutchinson Island, providing a transmission backup to the two distribution feeds that presently serve North Hutchinson Island. (TR-200). The emergency distribution tie with Vero Beach will add a third means of servicing North Hutchinson Island not presently available to North Hutchinson Island. (TR-200). All together these improvements will provide greater reliability to the residents of North Hutchinson Island. It is important to remember that FPUA currently has the capacity to service North Hutchinson Island, without making these improvements. Just as FPL plans to improve reliability through the use of alternate feeds, FPUA is also making plans to assimilate its new territory into its existing service area in order to provide better service to its general body of customers. (TR-144). There is simply no competent substantial evidence in the record which would support a finding that approval of the agreement would result in a decrease in reliability.

The Commission also erred in considering the availability of conservation programs to the residents of North Hutchinson Island as a factor in its finding of a detriment to the public interest. Not only is the focus on North Hutchinson Island inappropriate, the Commission also mistakenly relies on Section 366.81 of the Florida Efficiency Conservation Act ("FEECA"), which and Energy specifically excludes from the definition of "utility" entities, like FPUA, which do not have annual sales to end-use customers in excess of 500 gigawatts. § 366.82(1), Fla. Stat. (1991). Although conservation is extremely important in the State of Florida, the Legislature did not give the Commission unbridled authority. Under the provisions of FEECA, the Commission is directed to require only larger utilities, which have sales in excess of 500 gigawatts, to develop and implement conservation programs. § 366.80, Fla. Stat. To allow the Commission to find detriment because FPUA (1991). has only limited conservation programs is to impose a requirement on FPUA to develop programs where such a requirement does not exist.

Recently, the Commission withdrew a proposed amendment to Rule 25-6.0441 of the Florida Administrative Code, which would have allowed the Commission to consider the effectiveness of conservation efforts as a factor in deciding territorial disputes between competing utilities. 18 Fla. Admin. Weekly 3399 (June 12, 1992) (notice of withdrawal); 18 Fla. Admin. Weekly 1903 (Mar. 27, 1992) (full text of proposed rule). This Court should not permit the Commission to impose this additional standard in approving territorial agreements between non-FEECA and FEECA utilities. The Commission is attempting by this decision to impose a standard which was intended only to apply to FEECA utilities and which the Commission itself has recognized is not an appropriate criteria for use in resolving territorial issues between FEECA and non-FEECA utilities. If the Commission is permitted to impose this standard, many territorial agreements between non-FEECA utilities and FEECA utilities could never be approved because the FEECA utility will always be required to provide more conservation programs. Surely, the Legislature did not intend such an unproductive result.

Undoubtedly, FPL is capable of providing a wider array of conservation programs than is FPUA. After all, FPL is a much larger utility than FPUA and is required to develop conservation programs. Yet, FPUA has voluntarily implemented a selection of conservation programs, even though it is not required by the PSC to have an approved conservation plan. It has implemented a home energy survey and audit program, a commercial energy survey program, new construction and renovation/rehabilitation design assistance, and the "Education Outreach" program. (TR-174-175). It has just implemented a "Purchase Power" program. This residential program provides incentives ranging from \$170 to \$500 to customers who install high efficiency air conditioning and heat pump

equipment. (TR-175). In addition, FPUA is in the process of implementing an initial load management trial program for 1993. (TR-176).

In evaluating the difference between FPL and FPUA as to the availability of conservation programs, the Commission failed to consider the effect of the proposed transfer on the entire body of Again, the Commission only focused on the affected customers. interests of some of the residents of North Hutchinson Island. While the residents of North Hutchinson Island may temporarily experience a reduction in number of conservation programs by being transferred to FPUA, the customers being transferred to FPL, who are primarily commercial customers, will experience an increase in This is especially beneficial to those available programs. customers since FPL offers more conservation programs to commercial customers than to residential customers. (R-Vol. VI, Exhibit 9). Using the Commission's own reasoning, the benefit to the affected commercial customers is greater than the detriment to the residents of North Hutchinson Island. Even if the Commission is allowed to consider conservation programs, the proposed transfer represents a better allocation of conservation benefits to the majority of transferred customers as a whole.

CONCLUSION

The Commission has failed to properly apply the standard for approval of territorial agreements enunciated in <u>Utilities</u> <u>Commission of New Smyrna Beach v. Florida Public Service</u> <u>Commission</u>, 469 So.2d 731 (Fla. 1985). There is no substantial competent evidence which could support a finding of a detriment to the public.

This Court, as it did in <u>Utilities Comm'n</u>, should reverse the order below and remand this action to the Commission for the entry of an order approving the proposed territory agreement.

Respectfully submitted this 2^{+-} day of January, 1993.

ESQUIRE

FREDERICK ML BRYANT, ESQUIRE Fla. Bar No. 0126375

WILLIAM J. PEEBLES Fla. Bar No. 0282741

Moore, Williams, Bryant, Peebles & Gautier, P.A. Post Office Box 1169 (32302) 306 E. College Avenue Tallahassee, Florida 32301 904/222-5510

Attorneys for Appellant, Fort Pierce Utilities Authority

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by U. S. Mail to MICHAEL PALECKI, ESQUIRE, Florida Public Service Commission, Legal Department, Fletcher Building, 101 E. Gaines Street, Tallahassee, Florida 32399; WILTON R. MILLER, ESQUIRE, Bryant, Miller and Olive, P.A., 201 South Monroe Street, Suite 500, Tallahassee, Florida 32301; to K. CRANDAL McDOUGALL, ESQUIRE, Florida Power & Light Company, P. O. Box 029100, Miami, Florida 33102-9100; to JOHN DORAN, 3200 North A-1-A, Apt. 903, North Hutchinson Island, Florida 34949; to JOHN TAGGART, 3200 North A-1-A, Apt. 605, North Hutchinson Island, Florida 34949, and to EDMUND A. FLYNN, 3200 N. A-1-A, North Hutchinson Island, Florida 34949, this 5⁻⁻⁻ day of January, 1993.

PEEBLES

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