

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for determination of need for St. Johns-Pellicer-Pringle 230 kV transmission line, by Florida Power & Light Company.

DOCKET NO. 050145-EI  
ORDER NO. PSC-05-0471-PHO-EI  
ISSUED: May 3, 2005

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on May 2, 2005, in Tallahassee, Florida, before Commissioner Lisa Polak Edgar, as Prehearing Officer.

APPEARANCES:

KENNETH A. HOFFMAN, ESQUIRE, RUTLEDGE, ECENIA, PURNELL & HOFFMAN, P.A., P.O. Box 551, Tallahassee, FL 32302  
On behalf of Florida Power & Light Company.

MARTHA CARTER BROWN, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850  
On behalf of the Florida Public Service Commission.

**PREHEARING ORDER**

I. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, Florida Administrative Code, this Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

II. CASE BACKGROUND

On March 25, 2005, Florida Power and Light Company filed a petition for determination of need for a proposed 230kV transmission line in Flagler and St. John's counties pursuant to section 403.537, Florida Statutes and Rule 25-22.075, Florida Administrative Code. This matter has been set for a formal administrative hearing on May 9, 2005.

III. JURISDICTION

This Commission is vested with jurisdiction over the subject matter by the provisions of section 403.537, Florida Statutes. This hearing will be governed by that statute, Chapter 120, Florida Statutes and Rules 25-22.075 and 28-106, Florida Administrative Code.

DOCUMENT NUMBER-DATE

04295 MAY-3 05

FPSC-COMMISSION CLERK

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

A. Any information provided pursuant to a discovery request for which proprietary confidential business information status is requested shall be treated by the Commission and the parties as confidential. The information shall be exempt from section 119.07(1), Florida Statutes, pending a formal ruling on such request by the Commission, or upon the return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been used in the proceeding, it shall be returned expeditiously to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of the proceeding, it shall be returned to the person providing the information within the time periods set forth in Section 366.093, Florida Statutes.

B. It is the policy of the Florida Public Service Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to section 366.093, Florida Statutes, to protect proprietary confidential business information from disclosure outside the proceeding.

1. Any parties intending to utilize confidential documents at hearing for which no ruling has been made, must be prepared to present their justifications at hearing, so that a ruling can be made at hearing.

2. In the event it becomes necessary to use confidential information during the hearing, the following procedures will be observed:

- a) Any party wishing to use any proprietary confidential business information, as that term is defined in section 366.093(3), Florida Statutes, shall notify the Prehearing Officer and all parties of record by the time of the Prehearing Conference, or if not known at that time, no later than seven (7) days prior to the beginning of the hearing. The notice shall include a procedure to assure that the confidential nature of the information is preserved as required by statute.
- b) Failure of any party to comply with 1) above shall be grounds to deny the party the opportunity to present evidence which is proprietary confidential business information.
- c) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the Court Reporter, in envelopes clearly marked with the nature of the contents. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

- d) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise the confidential information. Therefore, confidential information should be presented by written exhibit when reasonably possible to do so.
- e) At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the Court Reporter shall be retained in the Division of Commission Clerk and Administrative Service's confidential files.

V. POST-HEARING PROCEDURES

Because of the short time-frame allowed by statute for the conduct of this case, it is anticipated that the Commission will make a bench decision at the conclusion of the hearing on May 9, 2005.

VI. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties (and Staff) has been prefiled. All testimony which has been prefiled in this case will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to appropriate objections. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to five minutes. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

VII. ORDER OF WITNESSES

In light of the proposed stipulated positions to the issues in this case, FPL's witness may be excused from the hearing if no Commissioner assigned to the case seeks to cross-examine him. Staff will notify FPL by Thursday, May 5, 2005, whether the witness will be required to be present at the hearing. If the witness is excused, his testimony will be inserted into the record as

though read, and all exhibits submitted with the testimony shall be identified as shown in Section X of this Prehearing Order and admitted into the record.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Vincente Ordax, Jr.	FPL	1,2,3,4

#### VIII. BASIC POSITION

FPL and staff support the basic position and the proposed stipulations on the issues set out below.

The Commission should approve FPL's proposal to build a new 230kV transmission line extending from FPL's existing St. Johns Substation in St. Johns County to FPL's planned Pringle Substation (scheduled to be in service by the end of 2008) in Flagler County. FPL's proposal is the most cost-effective alternative available, taking into account the demand for electricity, the need for electric system reliability and integrity, and the need for abundant, low-cost electrical energy to assure the economic well-being of the citizens of this state. The project meets area load requirements by serving proposed future distribution substations along the I-95/US-1 corridor while maximizing system reliability and minimizing cost to customers.

Over the past five years (2000-2004), the load in FPL's North Region, an area extending north to Nassau County and south to Indian River County on Florida's east coast, has grown by a Compound Annual Average Growth Rate ("CAAGR") of 3.7%. FPL is forecasting the North Region to continue to grow at a CAAGR of 3.2% over the next five years (2005-2009). Transmission assessment studies conducted by FPL during 2004 have identified regional transmission system limitations in St. Johns and Flagler Counties. These studies show that by 2008, the existing 115kV transmission network, which closely parallels the coast between Bunnell and St. Johns Substations, will not have sufficient capacity to provide reliable service to existing and proposed substations. FPL's review of transmission alternatives resulted in the selection of the St. Johns-Pellicer-Pringle Project as the most cost-effective and efficient means to provide both electrical service to the new load areas and substations west of its existing transmission facilities and reinforce the existing 115kV coastal network.

#### IX. ISSUES AND POSITIONS

##### STIPULATED

**ISSUE 1: Is there a need for Florida Power & Light Company's proposed St. Johns-Pellicer Pringle 230kV electrical transmission line project, given the need for electric system reliability and integrity, as prescribed in section 403.537, Florida Statutes?**

**POSITION:** Yes. FPL has demonstrated the need for a 230kV line by December 2008 to: (a) serve the increasing load and customer base in the area south of the St. Johns Substation, north of the Pringle Substation and to the west of the existing Bunnell-St. Johns 115kV transmission line in a reliable manner consistent with NERC and FRCC Transmission System Standards; (b) provide additional reinforcement to the existing 115kV transmission line between the Bunnell and St. Johns Substations by providing a 230kV injection point from the planned Pellicer Substation into the Forest Grove-Matanzas 115kV line section; and (c) efficiently and effectively integrate and serve new distribution substations that are needed to serve the load growth in the Project Service Area.

The St. Johns-Pellicer-Pringle Project would be built to alleviate potential overloads and low voltage conditions from a single contingency event. The need for transmission system upgrades is most frequently based on potential overload conditions associated with single contingency events, which occur when a single element such as a generator, transmission circuit or transformer is eliminated from the system. If FPL does not add new transmission capability in its North Region by 2008, overloads ranging from 102 to 130 percent of the thermal line rating are forecasted under 8 separate single contingencies. Depending on the specific outage or contingency, service interruptions may affect between 1,000 to 8,300 electric customers.

For these reasons the proposed St. John's-Pellicer-Pringle project is needed to preserve electric system reliability and integrity.

**STIPULATED**

**ISSUE 2:** Is there a need for Florida Power & Light Company's proposed St. Johns-Pellicer Pringle 230kV electrical transmission line project, given the need for abundant, low cost electrical energy to assure the economic well-being of the citizens of the State, as prescribed in section 403.537, Florida Statutes?

**POSITION:** Yes. The transmission line would assure the economic well-being of the citizens of the state by serving projected new electric load in the region, and improving the region's electric reliability by minimizing the region's exposure to single contingency events. The cost of the project proposed by FPL is estimated at \$21.8 million net present value in 2005 dollars. While the final cost of the project is subject to the final routing and conditions of certification required by the Transmission Line Siting Board, the estimated cost of the project appears reasonable.

FPL evaluated 2 alternatives to the proposed St. John's-Pellicer-Pringle project. Both alternatives were transmission modifications to the existing 115 kV system. Alternative I consisted of building a new 115 kV transmission line, approximately 25 miles in length, between the Pringle and St. Johns substations. The new line would serve three additional new substations: Pellicer, Anastasia and Vermont at a cost of \$29.5 million in net present value dollars for 2005. Alternative II consisted of building no new transmission lines and serving the existing and proposed new substations from the current 115 kV transmission network. The cost of Alternative II was estimated at \$24 million in net present value dollars for 2005. FPL rejected

both alternatives due to economics and to concerns with the ability to serve additional future customers west of the I-95/US-1 corridor.

**STIPULATED**

**ISSUE 3:** Are Florida Power & Light Company's existing St. Johns Substation in St. Johns County and its planned Pringle Substation in Flagler County the appropriate starting and ending points of the proposed St. Johns-Pellicer-Pringle 230kV electrical transmission line project, as prescribed in section 403.537, Florida Statutes?

**POSITION:** Yes. Both the St. Johns and Pringle substations are adjacent to FPL future load centers. Also, the St. Johns substation is currently connected to the rest of FPL's electric system via their existing 230 kV and 115 kV transmission lines, and the Pringle substation, which is scheduled for completion in 2006, will be connected by the proposed St. Johns-Pellicer-Pringle 230 kV transmission line in 2008. The Transmission Line Siting Board will make the final determination concerning the exact length and route of the new line.

**STIPULATED**

**ISSUE 4:** Should the Commission grant Florida Power & Light Company's petition for determination of need for the proposed St. Johns-Pellicer-Pringle 230kV electrical transmission line project?

**POSITION:** Yes. FPL has demonstrated the need for the proposed St. Johns-Pellicer-Pringle 230kV electrical transmission line project according to the criteria prescribed in section 403.537, Florida Statutes. The Transmission Line Siting Board will make the final determination concerning the length and route of FPL's proposed transmission line.

**STIPULATED**

**ISSUE 5:** Should this docket be closed?

**POSITION:** Yes. This docket should be closed when the Commission issues its final order memorializing its decision in the case.

X. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
			<u>Direct</u>
	FPL	1	Notices of Final Hearing and Affidavits of Publication
Vincente Ordax, Jr.	FPL	<u>2</u> VO-1	Exhibit "A" to the Petition to Determine Need for the St. Johns-Pellicer-Pringle Project including Attachments 1-10

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

XI. PROPOSED STIPULATIONS

FPL and staff propose the stipulations for ISSUES 1, 2, 3, 4, and 5 set out in Section IX above.

XII. PENDING MOTIONS

There are no pending motions.

XIII. PENDING CONFIDENTIALITY MATTERS

Document No. 02939-05, the subject of FPL's request for confidential treatment, will not be part of the evidentiary record in this proceeding and has been returned to FPL. Therefore, no ruling on confidentiality will be made, and there are no pending confidentiality matters.

XIV. RULINGS


In view of the proposed stipulations to the issues in this docket, the parties do not expect to make opening statements. In any event, if opening statements are made, they shall not exceed ten minutes per party.

It is therefore,

ORDERED by Commissioner Lisa Polak Edgar, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

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By ORDER of Commissioner Lisa Polak Edgar, as Prehearing Officer, this 3rd day of  
May, 2005.

  
LISA POLAK EDGAR  
Commissioner and Prehearing Officer

(SEAL)

MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of the Commission Clerk and Administrative Services, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.