

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-05-0527-FOF-EI  
ISSUED: May 13, 2005

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman  
J. TERRY DEASON  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON  
LISA POLAK EDGAR

ORDER DETERMINING THE NEED FOR AN ELECTRICAL TRANSMISSION LINE

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.

GARSON R. KNAPP, ESQUIRE, Florida Power & Light Company, 700 Universe Blvd., Juno Beach, FL 33408-0420  
On behalf of Florida Power & Light Company.

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

BY THE COMMISSION:

CASE BACKGROUND

On March 25, 2005, Florida Power & Light Company (FPL) filed a petition for determination of need for a proposed 230 kV transmission line in Flagler and St. John's counties, pursuant to the provisions of Section 403.537, Florida Statutes, and Rules 25-22.075 and 25-22.076, Florida Administrative Code. We held an administrative hearing on FPL's petition on May 9, 2005. Notice of the filing of FPL's petition and of the May 9, 2005, public hearing was done in accordance with applicable statutes and rules. Notice was provided to those persons requesting notice, to counties and regional planning councils in whose jurisdiction the

DOCUMENT NUMBER-DATE

04673 MAY 13 05

FPSC-COMMISSION CLERK

transmission line could be placed, by publication in the Florida Administrative Weekly, and in newspapers of general circulation no later than twenty (20) days prior to the date of the hearing.

No other parties intervened in the proceeding. At the hearing on May 9, 2005, the testimony and exhibits were stipulated into the hearing record, and stipulated positions proposed to all the issues in the case. We issued a bench decision at the hearing approving the proposed stipulations and thereby determining the need for the transmission line. Our decision, explained in more detail below, determined the need and the beginning and end points for the transmission line. The transmission Line Siting Board will make the final determination concerning the length and route of the line.

### DECISION

As provided in section 403.537, Florida Statutes, we are required to take the following into account in determining the need for a proposed transmission line subject to our review under Florida's Transmission Line Siting Act (sections 403.52-403.5365, Florida Statutes):

[T]he need for electric system reliability and integrity; the need for abundant, low-cost electrical energy to assure the economic well-being of the citizens of this state; the appropriate starting and ending point of the line; and other matters within [our] jurisdiction deemed relevant to the determination of need.

#### Need for Electric System Reliability and Integrity

Over the past five years, 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 of 3.7%. FPL is forecasting the North Region to continue to grow at a rate of 3.2% over the next five years. Transmission assessment studies conducted by FPL during 2004 have identified regional transmission system limitations in St. Johns and Flagler Counties. The studies show that by 2008, the existing 115kV transmission network, which parallels the coast between the 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 to address the insufficiency led it to select the St. Johns-Pellicer-Pringle Project as the most cost-effective and efficient means both to provide electrical service to the new load areas and substations west of its existing transmission facilities, and to reinforce the existing 115kV coastal network.

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.

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 North American Electric Reliability Council (NERC) and Florida Reliability Coordinating Council (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.

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

Need for Abundant, Low-Cost Electrical Energy to Assure the Economic Well-Being of the Citizens of This State

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 concerns with the ability to serve additional future customers west of the I-95/US-1 corridor. FPL determined that the most cost-effective alternative was the St. John's-Pellicer-Pringle project. FPL estimates the cost of that project 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, we find that the estimate cost of the project is reasonable, and we find that the transmission line will 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.

Appropriate Starting and Ending Points

We find that FPL's existing St. Johns Substation in St. Johns County and its planned Pringle Substation in Flagler County are the appropriate starting and ending points of the proposed St. Johns-Pellicer-Pringle 230kV electrical transmission line. 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 FPL's 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.

Conclusion

We approve Florida Power & Light Company's petition for determination of need for the proposed St. Johns-Pellicer-Pringle 230kV electrical transmission line project. FPL has adequately 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.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's Petition for determination of need for St. Johns-Pellicer-Pringle 230 kV transmission line is granted. It is further

ORDERED that Florida Power & Light Company's St. Johns-Pellicer-Pringle 230 kV transmission line project is needed, taking into account the criteria set forth in section 403.537, Florida Statutes. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 13th day of May, 2005.

BLANCA S. BAYÓ, Director  
Division of the Commission Clerk and  
Administrative Services

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records

( S E A L )

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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, 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 and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.