

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for determination of need for
Duval-Raven 230 kV transmission line in
Baker, Columbia, Duval, and Nassau Counties,
by Florida Power & Light Company.

DOCKET NO. 150263-EI
ORDER NO. PSC-16-0077-PHO-EI
ISSUED: February 18, 2016

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on February 10, 2016, in Tallahassee, Florida, before Commissioner Jimmy Patronis, as Prehearing Officer.

APPEARANCES:

William P. Cox, ESQUIRE, 700 Universe Blvd., Juno Beach, Florida 33408
On behalf of Florida Power & Light Company (FPL).

Lee Eng Tan and Charles Murphy, ESQUIRES, Florida Public Service
Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff).

Mary Anne Helton, Deputy General Counsel, Florida Public Service Commission,
2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission.

PREHEARING ORDER

I. **CASE BACKGROUND**

On December 11, 2015, Florida Power & Light Company filed a notice of intent to file a petition for Determination of Need for Duval-Raven 230 kV transmission line in Baker, Columbia, Duval, and Nassau Counties, pursuant to Section 403.537, Florida Statutes (F.S.), and Rule 25-22.075, Florida Administrative Code (F.A.C.). On January 11, 2016, FPL filed its petition to determine need for electrical transmission line. This matter has been scheduled for a formal administrative hearing on February 24, 2016.

II. **CONDUCT OF PROCEEDINGS**

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

III. JURISDICTION

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes (F.S.). This hearing will be governed by said Chapter and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. 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.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

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 Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential

classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties (and Staff) has been prefiled and 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 timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. 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.

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. After all parties and Staff have had the opportunity to cross-examine the witness, 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.

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.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

VI. 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 prior to the hearing conference, 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 IX of this Prehearing Order and admitted into the record.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Francisco Prieto	FPL	1, 2, 3, 4

VII. BASIC POSITIONS

FPL: FPL has petitioned the Commission for an affirmative determination need for the construction and operation of an electrical transmission line, the Duval-Raven 230 kV Project (“DRP”). The DRP maximizes system reliability, increases power transfer capability, and meets local area load requirements by serving proposed future distribution substations east of Interstate-75, south of Interstate-10, and west of the existing 230 kV transmission line in Baker, Columbia, and Union Counties while minimizing cost to customers. The DRP will primarily consist of the construction of approximately 38.5 miles (subject to final certification under the Florida Transmission Line Siting Act or “TLSA”) of a single circuit 230 kV transmission line in portions of Baker, Columbia, Duval, and Nassau Counties.

The need for the DRP is based on the following considerations:

- The need to provide additional transmission reinforcement to the existing 115 kV and 230 kV transmission network between Columbia, Bradford, and Baldwin substations in a reliable manner consistent with reliability standards and criteria established by the North American Electric Reliability Council (“NERC”), at the direction of the Federal Energy Regulatory Commission (“FERC”), and adopted by the Florida Reliability Coordinating Council (“FRCC”).
- The need to serve the increasing load and customer base in the area east of Columbia and west of Baldwin and Bradford Substations.
- The opportunity, subject to final corridor siting certification under the TLSA, to efficiently and effectively integrate and serve existing and future new distribution substations that are needed to serve projected load growth within Baker, Bradford, Columbia, and Union Counties.

Over the past five years (2010-2014), the load in FPL’s North Region, an area that includes all or portions of Brevard, Volusia, Flagler, St. Johns, Putnam, Bradford, Union, Columbia, Baker, and Duval Counties and the specific Project Service Area, has grown by a Compound Annual Average Growth Rate (“CAAGR”) of 1.3%. FPL is forecasting the North Region to continue to grow at CAAGR of 1.8% over the next five years (2015-2019). Transmission assessment studies conducted by FPL during 2014 and 2015 have identified regional transmission system limitations in Baker, Bradford, Columbia, and Union Counties. These studies show that by 2018, the existing 115 kV transmission network between Baldwin, Bradford, and Columbia Substations will not have sufficient capacity to provide reliable service to potential future distribution substations.

A new transmission line sited west from FPL’s existing Duval Substation in Duval County to FPL’s planned Raven Substation in Columbia County would be the most reliable, cost-effective means to serve the projected load growth within Baker, Bradford, Columbia, and Union Counties. A study of transmission improvements for this area evaluated various alternatives which resulted in the selection of the DRP as the most cost-effective and efficient means to both reinforce the existing 230 kV and 115 kV networks and provide electrical service to existing and future load areas and substations within the

Baldwin-Columbia-Bradford transmission facilities. In summary, the DRP presents the best alternative for satisfying the need for a reliable and cost-effective supply of power to FPL's existing and future customers within Baker, Bradford, Columbia, and Union Counties. FPL's petition, prefiled testimony, and exhibits demonstrate the need for the Duval-Raven Project in the proposed time frame as the most cost-effective alternative available, taking into account the demand for electricity, the need for electric system reliability and integrity, the need for abundant, low-cost electrical energy to assure the economic well-being of the residents of this state, the location of the project (starting and ending points of the line), and other relevant matters pursuant to Section 403.537(1)(c), Florida Statutes (2015).

For these reasons, and those set forth more fully in FPL's Petition and prefiled testimony and exhibits, FPL satisfies the statutory elements for granting an affirmative determination of need for DRP pursuant to Section 403.537, Florida Statutes.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

VIII. ISSUES AND POSITIONS

FPL and staff have proposed stipulations on the issues set out below.

PROPOSED STIPULATION

ISSUE 1: Is there a need for Florida Power & Light Company's proposed Duval-Raven 230 kV 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 a need for the proposed Duval-Raven 230 kV transmission line project, taking into account the need for electric system reliability and integrity. This transmission line is needed to: (a) serve the forecasted load and customer base in FPL's North Region; (b) increase the capacity of the existing 230 kV transmission network between the Duval, Baldwin, and Bradford Substations and relieve the loading on the existing 115 kV transmission network between the Baldwin, Bradford, and Columbia Substations consistent with the reliability standards and criteria established by the North American Electric Reliability Corporation; and (c) provide another electrical feed from the Duval Substation in Duval County to the Lake City area in Columbia County largely adjacent to an existing 115 kV transmission network. FPL's studies estimate that the proposed project would reduce transmission losses by

approximately 6.2 MW at peak load. Therefore, the proposed Duval-Raven 230 kV transmission line project should maintain and improve the reliability and improve the power transfer capability to FPL's customers in this area.

The need for transmission system upgrades is most frequently based on potential overload or low voltage conditions associated with contingency events, which occur when a facility such as a generator, transmission circuit or transformer is disconnected from the system. The record in this case demonstrates that if FPL does not add or improve transmission capacity in the projected service area by December 2018, potential overloads ranging from 9 to 14 percent of the thermal line rating for certain existing lines are forecasted under certain contingencies.

**PROPOSED
STIPULATION**

ISSUE 2: Is there a need for Florida Power & Light Company's proposed Duval-Raven 230 kV 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. FPL has demonstrated a need for the proposed Duval-Raven 230 kV transmission line project, taking into account the need for abundant, low cost electrical energy to assure the economic well-being of the citizens of the state. The record in this case demonstrates that the proposed Duval-Raven 230 kV transmission line project is the most cost-effective and efficient means to both reinforce the existing 230 kV and 115 kV networks and provide electrical service to existing and future load areas and substations within the Baldwin-Columbia-Bradford transmission facilities.

The estimated capital cost of the proposed Duval-Raven 230 kV transmission line project is \$71 million, including approximately \$15 million for the new Raven substation. Approximately 96% of the length of the new transmission line will be located within an existing transmission line right-of-way. While the final cost is subject to the final route and other conditions that could be imposed through the Transmission Line Siting Act process, the estimated cost appears reasonable.

FPL evaluated three alternatives to the proposed Duval-Raven Project. Alternative I consists of ampacity upgrades of several line sections, some of the sections requiring reconductoring, in the existing 115 kV transmission lines in the region and installation of additional substation equipment to provide voltage support. The estimated capital cost of Alternative I is \$101 million. Alternative I would reduce transmission losses by approximately 0.5 MW at peak load and delay the construction of additional 230 kV transmission upgrades by six years. Alternative I was rejected by FPL based upon economics, potential construction delays due to

required clearances for reconductoring the existing 115 kV transmission line sections, the lack of future transmission network flexibility, and the fact it would require significant future transmission improvements in the area. Alternatives II and III consist of various configurations of a new 230 kV transmission line connecting the existing Suwannee River or Fort White substations with the existing Columbia substation. Alternatives II and III would provide a long term transmission solution, but would require additional rights of way acquisitions and expansion of the existing Columbia Substation which is built out and located in a residential area. Therefore, Alternatives II and III were not considered practical or feasible options by FPL.

**PROPOSED
STIPULATION**

ISSUE 3: Are Florida Power & Light Company's Duval Substation in Duval County and its planned Raven Substation in Columbia County the appropriate starting and ending points for the proposed Duval-Raven 230kV transmission line as prescribed in section 403.537, Florida Statutes?

POSITION:

Yes. A new transmission line sited west from FPL's existing Duval Substation in Duval County to FPL's planned Raven Substation in Columbia County would be the most reliable, cost-effective means to serve the projected load growth within Baker, Bradford, Columbia, and Union Counties. The record demonstrates that the appropriate starting and ending points are the Duval Substation and the planned Raven Substation, respectively. The Transmission Line Siting Board will make the final determination concerning the length and route of the proposed transmission line.

**PROPOSED
STIPULATION**

ISSUE 4: Should the Commission grant Florida Power & Light Company's petition for determination of need for the proposed Duval-Raven 230kV transmission line project?

POSITION:

Yes. FPL has demonstrated a need for the Duval-Raven 230 kV transmission line project starting in December 2018, taking into account the need for electric system reliability and integrity, the need for abundant, low-cost electrical energy to assure the economic well-being of the residents of this state. The appropriate starting and ending points of the line are the existing Duval Substation in Duval County and FPL's planned Raven Substation in Columbia County, respectively.

The Transmission Line Siting Board will make the final determination concerning the length and route of the transmission line.

**POTENTIAL
STIPULATION**

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

POSITION: Yes. The docket should be closed upon issuance of the Commission’s final order in the case.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
<u>Direct</u>			
None	FPL	_____	Notices of Final Hearing and Affidavits of Publication
Francisco Prieto	FPL	_____	Exhibit “A” to the Petition to Determine Need for the Duval-Raven 230 kV transmission line in Baker, Columbia, Duval, and Nassau Counties and Second Errata sheet of Francisco Prieto, filed February 17, 2016. (CONFIDENTIAL)
Francisco Prieto	FPL	FP-1	Map of Transmission and Generation
Francisco Prieto	FPL	FP-2	Duval-Raven Expected Construction Schedule
Francisco Prieto	FPL	FP-3	List of Contingencies (CONFIDENTIAL)

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

X. PROPOSED STIPULATIONS

As set out in Section VIII, FPL and staff have proposed stipulations for all issues.

XI. PENDING MOTIONS

There are no pending motions at this time.

XII. PENDING CONFIDENTIALITY MATTERS

There are no pending confidentiality motions at this time.

XIII. POST-HEARING PROCEDURES

Because of the short time-frame allowed by statute for conduct of this case, it is anticipated that the Commission will make a bench decision at the conclusion of the hearing on February 24, 2016. If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 50 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

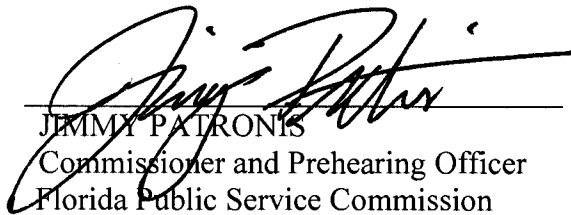
XIV. RULINGS

Opening statements, if any, shall not exceed five minutes for FPL.

It is therefore,

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

By ORDER of Commissioner Jimmy Patronis, as Prehearing Officer, this 18th day
of February, 2016.



JIMMY PATRONIS
Commissioner and Prehearing Officer
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

TLT

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 Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, 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.