

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for
determination of need for
Collier-Orange River 230 kV
transmission line in Collier,
Hendry, and Lee Counties, by
Florida Power & Light Company.

DOCKET NO. 030084-EI
ORDER NO. PSC-03-0551-FOF-EI
ISSUED: April 28, 2003

The following Commissioners participated in the disposition of
this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

ORDER DETERMINING NEED FOR ELECTRICAL TRANSMISSION LINE

APPEARANCES:

KENNETH A. HOFFMAN, ESQUIRE, Rutledge, Ecenia, Purnell &
Hoffman, P.A., P. O. Box 551, Tallahassee, Florida 32302,
and R. WADE LITCHFIELD, ESQUIRE, Florida Power & Light
Company, Senior Attorney, 700 Universe Boulevard, Juno
Beach, Florida 33408-0420
On behalf of Florida Power & Light Company.

ROBERT SCHEFFEL WRIGHT, ESQUIRE, Landers & Parsons, P.A.,
310 West College Avenue, Tallahassee, Florida 32302
On behalf of Barron Collier Companies.

LAWRENCE D. HARRIS, ESQUIRE, and WM. COCHRAN KEATING IV,
ESQUIRE, Florida Public Service Commission, 2540 Shumard
Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BY THE COMMISSION:

I. CASE BACKGROUND

Pursuant to the provisions of Section 403.537, Florida Statutes, and Florida Administrative Code Rules 25-22.075 and 25-22.076, Florida Power & Light Company (FPL) filed a petition to determine need for its proposed Collier-Orange River #3 230kV transmission line (the transmission line) and supporting testimony on February 26, 2003. Portions of FPL's petition and supporting testimony were filed as confidential information (Document Nos. 01963-03, 01965-03, and 01968-03). FPL filed a request for confidential classification of that information on March 19, 2003.

On March 19, 2003, Barron Collier Companies (Barron Collier) filed a petition to intervene in this proceeding. Barron Collier was granted intervenor status by Order No. PSC-03-0414-PCO-EI, issued March 25, 2003.

On April 7, 2003, FPL and Barron Collier filed a stipulation that addressed: (1) the parties' rights to propose alternate corridors for the Transmission Line at the site certification hearing held subsequent to this Commission's need determination proceeding; and (2) the Siting Board's ultimate authority to determine the most appropriate corridor route. On April 8, 2003, just prior to our public hearing on FPL's petition, Barron Collier filed a notice of voluntary withdrawal from this proceeding contingent upon our approval of the stipulation.

On April 8, 2003, we conducted a public hearing to address FPL's petition. Notice of the April 8, 2003, public hearing and the filing of the petition was given 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 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.

At the outset of our April 8 hearing, we accepted FPL and Barron Collier's stipulation and acknowledged Barron Collier's voluntary withdrawal from this proceeding. The terms of the

stipulation are reflected in the findings set forth in part II of this Order.

Also at the outset of our April 8 hearing, we granted FPL's March 19 request for confidential classification of specified portions of its petition and supporting testimony. Our specific findings on this request are set forth below in part III of this Order.

Consistent with the stipulation, FPL, at our April 8 hearing, clarified its petition to indicate that it was requesting this Commission make three specific findings:

- A. There is a need for the Collier-Orange River #3 transmission line, with the starting point at FPL's Orange River substation and the ending point at FPL's Collier substation;
- B. The construction and operation of the Collier-Orange River #3 transmission line will enhance electric system reliability and integrity and will improve the availability of low-cost electrical energy within the State of Florida to assure the economic well-being of the citizens of the state; and
- C. The location of the Collier-Orange River #3 transmission line on a right-of-way that is geographically diverse from the existing common transmission right-of-way between the Orange River and Collier substations will enhance electric system reliability, integrity, and restoration of service more than location of the line on the existing common right-of-way. However, under the Transmission Line Siting Act, the Siting Board could determine that the location of all or a portion of the Collier-Orange River #3 transmission line on the existing common right-of-way has the least impacts regarding the criteria in Section 403.529(4), Florida Statutes. The final determination of the most appropriate corridor route, considering all of the factors specified in Section 403.529, Florida Statutes, will be made by the Governor and Cabinet sitting as the Siting Board under the Transmission Line Siting Act.

We have jurisdiction over this matter pursuant to Section 403.537, Florida Statutes.

II. ANALYSIS AND FINDINGS

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.

A. Need for Electric System Reliability and Integrity

Southwest Florida has experienced substantial growth that is forecasted to continue into the future. The principal bulk transmission link into the region south of Ft. Myers is an existing 230 kV connection between the Orange River substation, just east of Ft. Myers, and the Collier substation adjacent to Naples. Thus, the area south of Ft. Myers, including Naples, is considered an electrical peninsula. FPL's planning studies indicate that additional transmission capability will be needed by December, 2005, between Ft. Myers and Naples to alleviate potential overloads and low voltage conditions from a single contingency event.¹ If FPL does not add new transmission capability in the region by that time, overloads ranging from 102% to 124% of the thermal line rating are forecasted under eleven separate single contingencies. Depending on the specific outage, between 7,200 and 41,100 electric

¹ A single contingency event involves the loss of a single element, such as a transmission line or generating unit, within an electrical system. A multiple contingency event involves the loss of all lines in a transmission corridor or all generating units at a single plant site.

customers could experience service interruption in violation of North American Electric Reliability Council (NERC) Transmission System Standards.

The proposed Collier-Orange River #3 transmission line entails the construction of approximately 80 miles of 230 kV transmission line from the existing Orange River substation in Lee County to the existing Collier Substation in Collier County. The single contingency violations identified by FPL would be satisfied by construction of this line whether such construction is in a new right-of-way or within the existing Collier-Orange River corridor. However, construction of the new line within the existing corridor would leave the Naples load center vulnerable to a multiple contingency event affecting the existing corridor. FPL's proposal to build the Collier-Orange River #3 transmission line in a new corridor would mitigate the impacts of such an event, enhancing electric system reliability, integrity, and restoration of service. In making this finding, we are cognizant that pursuant to Florida law any party to the site certification hearing for this transmission line may propose an alternate corridor for the line and that the Transmission Line Siting Board will make the final corridor selection upon consideration of the factors and criteria specified in Section 403.529, Florida Statutes.

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

The net present value cost of the project proposed by FPL in a new right-of-way is estimated at between \$32 million and \$57 million, subject to final right-of-way routing and conditions of certification by the Transmission Line Siting Board. By mitigating the forecasted single contingency violation for 2005, the line would assure the economic well-being of the citizens of this state by minimizing the region's exposure to single-contingency events.

FPL evaluated five alternatives to the proposed Collier-Orange River #3 project. Four of these alternatives were transmission projects in the Ft. Myers-Naples region, while one alternative was the construction of new generation near the Naples load center. One of the alternatives, the placement of the Collier-Orange River #3 transmission line in the existing common right-of-way, was the least cost alternative with an estimated net present value cost of \$25 million. As discussed previously, this alternative alleviates

single contingency overloads. However, this alternative is not optimal due to concerns with serving an electrical peninsula via a single corridor and the inability for future expansion of FPL's transmission system to the east of the existing corridor. The other four alternatives were either more costly (estimated net present value costs between \$101 million and \$138 million) or did not meet undervoltage and thermal overload conditions under all single contingency events.

C. Appropriate Starting and Ending Points

The Collier substation is adjacent to the Naples load center, while the Orange River substation is adjacent to FPL's Ft. Myers generating station. In addition, the Orange River substation is connected to the rest of FPL's electric system via existing 500 kV and 230 kV transmission lines. Thus, the Collier and Orange River electrical substations are the appropriate starting and ending points for the needed transmission line.

D. Conclusions

Based on the foregoing, we find that FPL's proposed Collier-Orange River #3 transmission line is needed taking into account the need for electric system reliability and integrity in Southwest Florida and the need to provide abundant, low-cost electrical energy to assure the economic well-being of the citizens of the State, particularly in Southwest Florida. Further, we find that the Collier and Orange River electrical substations are the appropriate starting and ending points for the needed transmission line.

III. OTHER PROCEDURAL MATTERS

As noted above, FPL filed a request for confidential classification of specified portions of its petition and supporting testimony, which we granted at the outset of our April 8 hearing. Specifically, FPL sought confidential treatment for information from Exhibit A to its petition, from the prefiled direct testimony of William R. Schoneck, and from the prefiled direct testimony of C. Martin Mennes, as follows:

Exhibit A to FPL's Petition (Document No. 01963-03)

- a. Page 2, lines 15-19, through page 3, line 1 (first word), line 2 (last word) and lines 3, 4 and portion of line 5;
- b. Page 5, lines 4-7;
- c. Page 15, lines 16-19;
- d. Page 16, line 18, through Page 18, line 2;
- e. Page 22, lines 7-11;
- f. Attachment 1a;
- g. Attachment 4;
- h. Attachment 6;
- i. Attachment 8;
- j. Appendix A (pages A.2 through A.35); and
- k. Appendix B (pages B.1 through B.24).

Prefiled Direct Testimony of William R. Schoneck (Document No. 01965-03)

- a. Page 14, lines 1-18

Prefiled Direct Testimony of C. Martin Mennes (Document No. 01968-03)

- a. Page 4, lines 7-17;
- b. Page 6, lines 18-23; and
- c. Page 7, line 21, through Page 8, line 5.

FPL asserted that this information pertains to security measures, systems, or procedures, and thus constitutes proprietary confidential business information pursuant to Section 366.093(3)(c), Florida Statutes. FPL further relied on Federal Energy Regulatory Commission (FERC) Order 630, issued February 21, 2003, which protects from public disclosure documents relating to critical energy infrastructure. FPL stated that this information provides details regarding the specific configuration of FPL's transmission facilities and the length and magnitude of potential outages depending on the occurrence of certain severe or catastrophic events. FPL asserted that such detailed information should be protected inasmuch as it relates to the transmission of energy, could be useful to a person planning an attack on critical infrastructure, and does not simply give the location of the infrastructure.

To memorialize our decision granting FPL's request at the outset of our April 8 hearing, we hereby find that the information identified above satisfies the requirements of Section 366.093(3)(c), Florida Statutes, and is therefore entitled to

confidential classification. Pursuant to Section 366.093(4), Florida Statutes, this information is granted confidential status for a period of 18 months from the date of this Order. At the conclusion of the 18 month period, the confidential information will no longer be exempt from Section 119.07(9), Florida Statutes, unless FPL or another affected person shows, and the Commission finds, that the records continue to contain proprietary confidential business information.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's Petition to Determine Need for the Collier-Orange River #3 Transmission Line, as clarified by Florida Power & Light Company at the April 8, 2003, public hearing, is hereby granted. It is further

ORDERED that Florida Power & Light Company's proposed Collier-Orange River #3 230kV Transmission Line is determined to be needed taking into account the factors set forth in Section 403.537, Florida Statutes. It is further

ORDERED that the withdrawal of the Barron Collier Companies as an intervenor in these proceedings is acknowledged. It is further

ORDERED that Florida Power & Light Company's Request for Confidential Classification of Document Nos. 01963-03, 01965-03, and 01968-03, is granted as set forth in the body of this Order. It is further

ORDERED that the information for which confidential classification is granted herein shall be declassified eighteen (18) months from the date of issuance of this Order in the absence of a renewed request for confidentiality. It is further

ORDERED that this Order will be the only notification by the Commission to the parties concerning the expiration of the confidentiality time period. It is further

ORDERED that this docket is closed.

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By ORDER of the Florida Public Service Commission this 28th
day of April, 2003.

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

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records and Hearing
Services

(S E A L)

LDH/WCK

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 granting Florida Power & Light Company's Petition to Determine Need and determining need for the proposed Collier-Orange River #3 line may request: 1) reconsideration of the decision by filing a motion

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for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within five (5) 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.

Any party adversely affected by the Commission's decision to grant Florida Power & Light Company's Request for Confidential Classification and to close the docket, 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.