

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for determination of need for Willow Oak-Davis 230 kV transmission line in Polk and Hillsborough Counties, by Tampa Electric Company.

DOCKET NO. 070193-EI  
ORDER NO. PSC-07-0470-PHO-EI  
ISSUED: May 31, 2007

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on May 31, 2007, in Tallahassee, Florida, before Commissioner Matthew M. Carter II, as Prehearing Officer.

APPEARANCES:

LEE L. WILLIS, ESQUIRE, and JAMES D. BEASLEY, ESQUIRE, Ausley & McMullen, Post Office Box 391, Tallahassee, Florida 32302  
On behalf of Tampa Electric Company (TECO).

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

**PREHEARING ORDER**

I. CASE BACKGROUND

On March 28, 2007, Tampa Electric Company (Tampa Electric) filed a Notice of intent to file a petition for determination of need for a proposed 230 kV electrical transmission line in Polk and Hillsborough Counties, pursuant to section 403.537, Florida Statutes, and Rule 25-22.080, Florida Administrative Code (F.A.C.). The matter has been scheduled for a formal administrative hearing on June 11, 2007.

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, 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.

DOCUMENT NUMBER-DATE

04439 MAY 31 5

FPSC-COMMISSION CLERK

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, 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.

VI. ORDER OF WITNESSES

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Paul M. Davis	TECO	1, 2, 3, 4

Since the parties have agreed to stipulate the issues in the case and enter all testimony and exhibits into the record without cross examination, if the Commissioners do not have any questions for the witness he may be excused from attendance at the hearing. The staff will notify Tampa Electric by June 4, 2007, if the witness has been excused.

VII. BASIC POSITION

Tampa Electric and Staff support the basic position and the proposed Stipulations on the issues set out below.

Tampa Electric's proposal to build a new 230kV transmission line extending from Tampa Electric's planned Willow Oak Substation in Polk County to Tampa Electric's planned Davis Substation in Hillsborough County (the "Project") scheduled to be in service by March 2012 should be approved. The Project 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. Further, the Project meets area load requirements by serving proposed future distribution Substations east of I-75 and north of S. R. 60 in Hillsborough County ("Project Area") while maximizing system reliability and minimizing cost to customers.

Transmission assessment studies conducted by Tampa Electric during 2006 have identified regional transmission system limitations in northeast Hillsborough County. These studies show that by 2012, the existing 230 kV transmission network will not have sufficient capability to provide reliable service to existing and proposed Substations. Additionally, some of the projected load to be served by the proposed future distribution Substations will be located further east and north of the existing 230 kV transmission network. A study of transmission improvements for this area evaluated various alternatives which resulted in the selection of the Willow Oak to Davis Project as the most cost-effective and efficient means to both increase the capability of the existing 230kV network and provide electrical service to the new load areas and Substations east and north of the existing transmission facilities.

A study of transmission alternatives has resulted in Tampa Electric's selection of the Willow Oak-Davis Project as the most cost-effective and efficient means to: (a) provide additional transmission capability to the existing 230kV transmission network between Polk County and north Hillsborough County in a reliable manner consistent with NERC, FRCC and other applicable standards; (b) serve the increasing load and customer base in the Project Area; and (c) provide another electrical source from Polk County west to Brandon and north Hillsborough via a separate Right-of-Way ("ROW") path, thereby reducing the impact of a loss of the existing transmission facilities on a common ROW. The cost and reliability benefits of the Project would be enhanced by the construction of the Project in a geographically separate ROW. For these reasons, Tampa Electric's Petition to Determine the Need for the Willow Oak-Davis 230kV Project should be approved.

#### VIII. ISSUES AND POSITIONS

##### **STIPULATED**

**ISSUE 1:** Is there a need for Tampa Electric Company's proposed Willow Oak-Davis 230 kV electrical transmission line project, given the need for electric system reliability and integrity, as prescribed in section 403.537, Florida Statutes?

**POSITION:** Yes. TECO has demonstrated the need for the Willow Oak-Davis 230 Kv transmission line Project in Polk and Hillsborough Counties by March 2012 to: (a) provide additional transmission reinforcement to the existing 230kV transmission network north of State Road 60, west of Willow Oak substation and to the east of the existing River substation in a reliable manner consistent with the North American Electric Reliability Council (NERC) and the Florida Reliability Coordinating Council (FRCC) and other applicable standards; (b) serve the increasing load and customer base in the projected service area; (c) provide for another electrical feed via a separate ROW path, thereby reducing the impact of a loss of the existing transmission facilities on a common ROW.

##### **STIPULATED**

**ISSUE 2:** Is there a need for Tampa Electric Company's proposed Willow Oak-Davis 230 kV 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 proposed Willow Oak-Davis Project 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 Willow Oak-Davis Project will reduce transmission losses by approximately 4 MW. The estimated capital cost of the Willow Oak-Davis Project is \$72.2 million excluding right-of-way.

TECO evaluated 3 alternatives to the proposed Willow Oak-Davis Project. All three alternatives were transmission modifications to the proposed ROW that proposed using a portion of or all of the existing common ROW. TECO rejected alternatives I, II and III due to economics. As stated above, the Willow Oak-Davis Project was the best option available.

**STIPULATED**

**ISSUE 3:** Are Tampa Electric Company's planned substation at Willow Oak in Polk County and its planned Davis substation in Hillsborough County the appropriate starting and ending points for the proposed Willow Oak-Davis 230kV electrical transmission line project, as prescribed in section 403.537, Florida Statutes?

**POSITION:** Yes. The analysis in the exhibit to the testimony of Paul Davis attached to the Petition demonstrates that the appropriate starting and ending points are the planned Willow Oak Substation and the planned Davis Substation, respectively. In addition to resolving the need to increase the 230 kV network capability, the Project is in close proximity as opposed to other alternatives to provide service to planned distribution substations in the Project Area. The Transmission Line Siting Board will make the final determination concerning the length and route of Tampa Electric's transmission line.

**STIPULATED**

**ISSUE 4:** Should the Commission grant Tampa Electric Company's petition for determination of need for the proposed Willow Oak-Davis 230 kV electrical transmission line project?

**POSITION:** Yes. TECO has demonstrated the need for the proposed Project according to the criteria prescribed in section 403.537, Florida Statutes, and that the cost and reliability benefits of the Project would be enhanced by construction of the line in a geographically separate right-of-way. The Transmission Line Siting Board will make the final determination concerning the length and route of FPL's transmission line.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>	<u>I.D. No.</u>	<u>Description</u>
			<u>Direct</u>
Paul M. Davis	TECO	<u>PMD-1</u>	Exhibit "A" to the Petition to Determine Need for the Willow Oak-Davis 230 kV transmission line in Polk and Hillsborough Counties
None		<u>N/A</u>	Notices of Final Hearing and Affidavits of Publication

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

X. PROPOSED STIPULATIONS

The parties have proposed stipulations on Issues 1-4.

XI. PENDING MOTIONS

There are no pending motions at this time.

XII. PENDING CONFIDENTIALITY MATTERS

There are no pending confidentiality matters at this time.

XIII. 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 June 11, 2007.

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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 Matthew M. Carter II, 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 Matthew M. Carter II, as Prehearing Officer, this 31st day of May, 2007.

A handwritten signature in black ink, appearing to read 'Matt M. Carter II', written over a horizontal line.

MATTHEW M. CARTER II  
Commissioner and Prehearing Officer

( 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.

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 25-22.060, 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.