RUTLEDGE, ECENIA, PURNELL & HOFFMAN

PROFESSIONAL ASSOCIATION ATTORNEYS AND COUNSELORS AT LAW

STEPHEN A. ECENIA BICHARD M FILLS KENNETH A HOFEMAN THOMAS W. KONRAD MICHAEL G. MAIDA MARTIN P. McDONNELL J. STEPHEN MENTON

POST OFFICE BOX 551, 32302-0551 215 SOUTH MONROE STREET, SUITE 420 TALLAHASSEE, FLORIDA 32301-1841

> TELEPHONE (850) 681-6788 TELECOPIER (850) 681-6515

R. DAVID PRESCOTT HAROLD F. X. PURNELL MARSHA E BULE GARY R. RUTLEDGE

VIA HAND DELIVERY

GOVERNMENTAL CONSULTANTS MARGARET A. MENDUNI M. LANE STEPHENS

March 26, 2003

Ms. Blanca S. Bayo, Director Commission Clerk and Administrative Services Florida Public Service Commission 2540 Shumard Oak Boulevard Betty Easley Conference Center, Room 110 Tallahassee, Florida 32399-0850

Re:

Docket No. 030084-EI

Dear Ms. Bayo:

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SEC

Enclosed herewith for filing on behalf of Florida Power & Light Company ("FPL") are the following documents:

1. Original and fifteen copies of FPL's Prehearing Statement; and

2. A disk in Word Perfect 6.0 containing a copy of the Prehearing Statement.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me. Thank you for your assistance with this filing.

Kenneth A. Hoffmanhel

Sincerely,

Kenneth A. Hoffman

KAH/rl Enclosures F:\USERS\ROXANNE\FPL\Bayomar26.ltr

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DOCUMENT NUMBER - DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition for Determination of Need for)	
Collier-Orange River 230 kV Transmission)	Docket No. 030084-EI
Line in Collier, Hendry, and Lee Counties,)	
by Florida Power & Light Company.)	Filed: March 26, 2003
)	

PREHEARING STATEMENT OF FLORIDA POWER & LIGHT COMPANY

Pursuant to Order No. PSC-03-0275-PCO-EI issued February 27, 2003, Florida Power & Light Company ("FPL") hereby files its Prehearing Statement.

APPEARANCES

Kenneth A. Hoffman, Esq. Rutledge, Ecenia, Purnell & Hoffman, P.A. P. O. Box 551

Tallahassee, Florida 32302 Telephone: 850-681-6788 Telecopier: 850-681-6515

R. Wade Litchfield, Esq. Florida Power & Light Company Senior Attorney 700 Universe Boulevard Juno Beach, Florida 33408-0420 (561) 691-7101 (Telephone) (561) 691-7135 (Telecopier)

On behalf of Florida Power & Light Company

A. WITNESSES	ON BEHALF OF	ISSUES
<u>Direct</u>		
William Robert Schoneck	FPL	1, 2, 3, 4
Vicente Ordax, Jr.	FPL	1, 2, 3
C. Martin Mennes	FPL	1, 2, 3, 4

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B. EXHIBITS

Sponsoring Witness

Description of Exhibit

None Notices of Final Hearing and Affidavits of Publication

William Robert Schoneck Exhibit "A" to the Petition to Determine Need for the

Collier-Orange River #3 Project including Attachments 1-8 and Appendices A and B [Composite

Exhibit]

Exhibit No. ____ (WRS-1) (Illustration Electrical

Peninsula)

Vicente Ordax, Jr. Attachment 8 and Appendices A and B to Exhibit "A"

to the Petition (co-sponsor with Mr. Schoneck)

C. Martin Mennes Attachment 6 of Exhibit "A" to the Petition (co-

sponsor with Mr. Schoneck)

FPL also reserves the right to introduce exhibits for cross-examination, impeachment, or for any other purpose authorized by the applicable Florida Rules of Evidence and rules or orders of this Commission.

C. STATEMENT OF BASIC POSITION

FPL's proposal to build a new 230kV transmission line in a separate right-of-way ("ROW") from the Orange River Substation in Lee County to the Collier Substation in Collier County (the "Project") should be approved. The Project is clearly the most desirable alternative when considering costs, ROW diversity, reliability, operational flexibility and feasibility of implementation.

The Project Service Area which consists of Naples and surrounding areas is a large and rapidly growing load center. As of January 2003, FPL served approximately 357,700 customers in

the Project Service Area, a population of approximately 594,900. Annual customer growth in the Project Service Area is approximately three percent, or 11,300 new customers per year, resulting in an incremental load of approximately 68MW per year.

Based on FPL's forecasted winter peak of 2005/2006 and the forecasted summer peak for 2006, the increase in load will result in the capacity of the existing transmission system between the Orange River and Collier Substations to be exceeded under numerous single contingency events. A new 230kV line is needed by December 2005 to mitigate potential overloads and low voltage conditions.

This rapidly growing load center can best be described as an electrical peninsula. There is no major source of generation in this area to compensate for the loss of the major transmission facilities that could occur in the existing common ROW. The loss of these facilities would result in loss of service to an unacceptably large number of customers for an extended period of time. Therefore, the need to establish a geographically diverse path for the transmission of power into the Project Service Area is critical. Specifically, a new, geographically diverse ROW is necessary to address increasing security concerns following the September 11, 2001 attacks on the United States of America. Further, a new, separate ROW would dramatically shorten service restoration periods for the heavily populated Project Service Area, potentially lower integration costs for new distribution substations, enhance efficiencies and mitigate reliability risks in the maintenance of transmission facilities, and help accommodate transmission facility expansion to serve future growth in the Project Service Area. Moreover, the establishment of a new, separate ROW in the Project Service Area will facilitate future long range transmission expansion by acquiring additional ROW while practicable routes remain available.

For these reasons, FPL's Petition to Determine the Need for the Collier-Orange River #3

Project should be approved.

D. ISSUES

Is the proposed project needed for electric system reliability and integrity as that phrase is used in Section 403.537, Florida Statutes?

Yes. FPL's Petition and testimony demonstrate the need for a 230kV line by FPL: December 2005 to mitigate potential overloads and low voltage conditions. The establishment of a geographically diverse path for the transmission of power into the Project Service Area is critical for reliability and efficient service restoration. A new, geographically diverse ROW is necessary in light of increased security risks to electrical facilities posed by potential terrorist activities following the September 11, 2001 attacks. The new, separate ROW will dramatically shorten service restoration periods in the Project Service Area. It will also provide the potential for lower integration costs for new distribution substations and enhanced transmission facility expansion necessary to serve future growth in the Project Service Area. In addition, the Project will enhance FPL's ability to efficiently maintain transmission facilities and mitigate the risks of an impact on reliability. When considering costs, ROW diversity, reliability, operational flexibility, and feasibility of implementation, FPL's Project is clearly the most desirable alternative to meet the need for electric system reliability and integrity, as well as the provision of low cost electrical energy to FPL's customers and the population in the Project Service Area. (Schoneck, Ordax, Mennes).

Is the proposed project needed for abundant, low-cost electrical energy to assure the economic well-being of the citizens of this state as that phrase is used in Section 403.537, Florida Statutes?

FPL: Yes. See FPL's Position on Issue 1. (Schoneck, Ordax, Mennes).

Issue 3: Are the Orange River Substation in Lee County and the Collier Substation in Collier County the appropriate starting and ending points of the proposed project?

FPL: Yes. The load flow maps contained in Appendices A and B to Exhibit "A" to the Petition demonstrate that the appropriate starting and ending points are the Orange River Substation and the Collier Substation, respectively. (Schoneck, Ordax, Mennes).

<u>Issue 4</u>: Should the Commission grant FPL's Petition for Determination of Need?

FPL: Yes. (Schoneck, Mennes).

Issue 5: Should this docket be closed?

<u>FPL</u>: Yes, following the issuance of a final order granting FPL's Petition and the expiration of time for an appeal, this docket should be closed.

E. STIPULATED ISSUES

None at this time.

F. ALL PENDING MOTIONS OR OTHER MATTERS FPL SEEKS ACTION UPON

None.

G. FPL'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

On March 19, 2003, FPL filed a Request for Confidential Classification. FPL intends to introduce the claimed confidential portions of the Prefiled Direct Testimony of William Robert Schoneck and C. Martin Mennes and the claimed confidential portions of Exhibit "A" to FPL's Petition for Determination of Need, as set forth in FPL's Request for Confidential Classification, into the record at the final hearing. FPL will provide unredacted copies of the claimed confidential information to the Commissioners and Staff under confidential cover at the final hearing. FPL also will provide unredacted copies of the claimed confidential information to authorized representatives of Intervenor Barron Collier Companies at or before the final hearing under confidential cover upon execution of a mutually agreed confidentiality and non-disclosure agreement.

H. ANY REQUIREMENTS SET FORTH IN THIS ORDER THAT CANNOT BE COMPLIED WITH, AND THE REASONS THEREFOR

There are no requirements set forth in Order No. PSC-03-0275-PCO-EI (<u>Order Establishing</u> <u>Procedure</u>) that cannot be complied with.

I. OBJECTIONS TO A WITNESS' QUALIFICATIONS AS AN EXPERT

None.

Respectfully submitted,

KENNETH A. HOFFMAN, ESQ.

Rutledge, Ecenia, Purnell & Hoffman, P.A.

P. O. Box 551

Tallahassee, Florida 32302 Telephone: 850-681-6788 Telecopier: 850-681-6515

- - and - -

R. WADE LITCHFIELD, ESQ. Florida Power & Light Company Senior Attorney 700 Universe Boulevard Juno Beach, Florida 33408-0420 (561) 691-7101 (Telephone) (561) 691-7135 (Telecopier)

Attorneys for Florida Power & Light Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by Hand Delivery(*--United States Mail) to the following this 26th day of March, 2003:

Larry Harris, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Room 370
Tallahassee, Florida 32399-0850

Robert Scheffel Wright, Esq. John T. LaVia, III, Esq. Landers & Parsons, P.A. 310 West College Avenue Tallahassee, FL 32301

Mr. Thomas W. Sansbury (*) Barron Collier Companies 2600 Golden Gate Parkway Naples, Florida 34105

KENNETH A. HOFFMAN, ESQ.

FPL\prehearingstatement