

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition for determination of need for Bobwhite-Manatee 230 kV transmission line in Manatee and Sarasota Counties, by Florida Power & Light Company.	DOCKET NO. 060424-EI ORDER NO. PSC-06-0723-FOF-EI ISSUED: August 28, 2006
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The following Commissioners participated in the disposition of this matter:

ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

FINAL 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 May 26, 2006, Florida Power and Light Company (FPL) filed a Notice of Intent to File a Petition for Determination of Need for a proposed 230 kV electrical transmission line in Manatee and Sarasota 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 a public administrative hearing on FPL's petition on August 8, 2006. Notice of the filing of FPL's petition and of the public hearing was done in accordance with applicable statutes and rules. Notice was provided to those persons requesting notice, to counties and regional planning

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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.

No other parties intervened in the proceeding. At the hearing on August 8, 2006, 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 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

Over the past five years (2001-2005), the load in FPL's West Region, an area that includes Manatee, Sarasota, DeSoto, Charlotte, Glades, Lee, Hendry and Collier Counties and the specific Project Service Area,¹ has grown by a Compound Annual Average Growth Rate ("CAAGR") of 3.8%. FPL is forecasting the West Region to continue to grow at CAAGR of 3.4% over the next five years (2007-2011). Transmission assessment studies conducted by FPL during 2006 have identified regional transmission system limitations in Manatee and Sarasota Counties. These studies show that by 2011, the existing 230kV transmission network which closely parallels the coast between Manatee and Ringling Substations will not have sufficient capacity to provide reliable service to existing and proposed substations.

FPL has proposed to build a new 230kV transmission line extending from FPL's existing Manatee Substation in Manatee County to FPL's planned Bobwhite Substation (scheduled to be in service by December of 2011) in Sarasota County to meet the anticipated transmission system limitations.

A study of transmission alternatives resulted in FPL's selection of the project as the most cost-effective and efficient means to: (a) provide additional reinforcement to the existing 230kV transmission network between Manatee and Ringling Substations in a reliable manner consistent with NERC, FRCC and other applicable transmission system standards; (b) serve the increasing load and customer base in the area south of the existing Manatee Substation and north of the planned Bobwhite Substation to the east of the existing 230kV transmission network; and (c) provide another electrical feed from the Manatee Plant in Manatee County to the Ringling area in Sarasota County via a separate right-of-way ("ROW"), thereby reducing the impact of a loss of the existing transmission facilities on a Common ROW.

¹The Project Service Area includes the area south of the existing Manatee Substation, north of the planned Bobwhite Substation and to the east of the existing 230kV transmission network.

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 east of the existing 230kV transmission network from the northern portion of Manatee County to the northern portion of Sarasota County while maximizing system reliability and minimizing cost to customers. 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, as explained in detail below, we approve FPL's Petition to Determine the Need for the Bobwhite-Manatee 230kV Project.

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

FPL has demonstrated the need for the Bobwhite-Manatee 230kV project by December 2011 to: (a) provide additional transmission reinforcement to the existing 230kV transmission network between Manatee and Ringling Substations 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; and (c) provide for another electrical feed via a separate right-of-way ("ROW") path, thereby reducing the impact of a loss of the existing transmission facilities on a common ROW.

FPL's studies showed transmission limitations on the existing 230 kV transmission network south of Manatee Substation and north of Ringling Substation. The 230kV line will efficiently and effectively integrate and serve new FPL and Peace River Electric Cooperative distribution substations that are needed to serve the projected service area. In addition, the 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 the projected service area by December 2011, overloads ranging from 101 to 113 percent of the thermal line rating are forecasted under 11 separate single contingencies.

For these reasons we find that the Bobwhite-Manatee 230 kV 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

The proposed 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 project will reduce transmission losses by approximately 8 MW. The estimated capital cost of the project is \$46.9 million. While the final cost of the project is subject to the final route and length of the line, and other conditions that could be imposed through the Transmission Line Siting Act process, the estimated cost appears reasonable.

FPL evaluated 3 alternatives to the proposed BMP. All three alternatives were transmission modifications to the proposed ROW that proposed using a portion of or all of the existing common ROW. Alternative I consists of building a new 230kV transmission line on new ROW from FPL's existing Manatee Substation to a future Bluejay Transmission Substation located approximately 16 miles southeast of the proposed Bobwhite Substation. The portion of the route from the proposed Bobwhite Substation to the Bluejay Substation would be constructed on the existing ROW. The estimated capital cost of this alternative is \$55.0 million. Alternative II consists of building a new 230 kV transmission line from the existing Manatee substation to the existing Howard Substation. This alternative was not considered a viable option because the Howard Substation property is completely full and located in a residential area with no possibility for expansion. Alternative III consists of a new 230kV transmission line extending from FPL's existing Manatee Substation to FPL's proposed future Bobwhite Substation. This alternative would be constructed within the existing ROW, and it would require looping in and out from the existing corridor to the locations of FPL's future distribution substation, thereby increasing the cost. The estimated capital cost of this alternative is \$54.6 million. FPL rejected alternatives I and III due to economics, and alternative II because it was not considered a viable option.

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 estimated 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 the existing Manatee Substation and the proposed Bobwhite Substation are the appropriate starting and ending points of the proposed Manatee-Bobwhite 230kV electrical transmission line. Both the Manatee and the proposed Bobwhite Substations are adjacent to FPL future load centers. Also, the Manatee Substation is currently connected to the rest of FPL's electric system via its existing 230kV transmission lines. The proposed Bobwhite Substation will be connected to the Manatee Substation via a new 230kV transmission line in 2011. 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 Manatee-Bobwhite 230kV electrical transmission line project. FPL has adequately demonstrated the need for the proposed Manatee-Bobwhite 230kV electrical transmission line project according to the criteria prescribed in section 403.537, Florida Statutes. This Order memorializing our decision will serve as our report to the Department of Environmental Protection

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 Manatee-Bobwhite 230 kV transmission line is granted. It is further


ORDERED that Florida Power & Light Company's Manatee-Bobwhite 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 28th day of August, 2006.

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

By:



Kay Flynn, Chief
Bureau of Records

(SEAL)

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 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.