

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-07-0522-FOF-EI
ISSUED: June 21, 2007

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
MATTHEW M. CARTER II
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

FINAL ORDER DETERMINING THE NEED
FOR AN ELECTRICAL TRANSMISSION LINE

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).

BY THE COMMISSION:

CASE BACKGROUND

On March 28, 2007, Tampa Electric Company (TECO) 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 the provisions of section 403.537, Florida Statutes (F.S.), and Rules 25-22.075 and 25-22.076, Florida Administrative Code (F.A.C.). We held an administrative hearing on TECO's petition on June 11, 2007. Notice of the filing of TECO's petition and of the June 11, 2007, public hearing was provided in accordance with applicable statutes and rules to those persons requesting notice and to counties and regional planning councils in whose jurisdiction the transmission line could be placed. Notice was published in the

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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, 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, explained in more detail below, 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

As provided in section 403.537, F.S., 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, F.S.):

[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

TECO's proposed new 230 kV transmission line, extending from its planned Willow Oak Substation in Polk County to its planned Davis Substation in Hillsborough County, is scheduled to be in service by March 2012. The project meets area load requirements by serving proposed future distribution Substations east of I-75 and north of State Road 60 in Hillsborough County while maximizing system reliability and minimizing cost to customers.

Transmission assessment studies conducted by TECO 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 and 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 230 kV network and provide electrical service to the new load areas and Substations east and north of the existing transmission facilities.

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 230 kV 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; and (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.

For these reasons we find that TECO's proposed Willow Oak-Davis 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

TECO evaluated three alternatives to the proposed Willow Oak-Davis Project. All three alternatives were transmission modifications to the proposed ROW that used a portion of or the entire existing common ROW. TECO rejected the alternatives primarily due to economics and reliability concerns. The estimated capital cost of the Willow Oak-Davis Project is \$72.2 million excluding right-of-way, and TECO estimates that the project will reduce transmission losses by approximately 4 MW. The cost benefits and the reliability benefits of the project will be enhanced by the construction of the project in a geographically separate ROW. 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 exposure to single contingency events.

Appropriate Starting and Ending Points

We find that the planned Willow Oak Substation and the planned Davis Substation, as described and analyzed in the exhibit to the testimony of TECO's witness, Paul Davis, are the appropriate starting and ending points of the proposed Willow Oak-Davis 230 kV electrical transmission line. In addition to resolving the need to increase the 230 kV network capability, unlike the other alternatives TECO considered, the Willow Oak-Davis Project is in close proximity to planned distribution substations in the project area. As stated above, the Transmission Line Siting Board will make the final determination concerning the length and route of TECO's transmission line.

Conclusion

We approve Tampa Electric Company's petition for determination of need for the Willow Oak-Davis 230 kV transmission line in Polk and Hillsborough Counties. TECO has adequately demonstrated the need for the proposed project according to the criteria prescribed in section 403.537, F.S. 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 Tampa Electric Company's petition for determination of need for the Willow Oak-Davis 230 kV transmission line in Polk and Hillsborough Counties is granted. It is further

ORDERED that Tampa Electric Company's Willow Oak-Davis 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 21st day of June, 2007.



ANN COLE
Commission Clerk

(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.

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 Office of Commission Clerk, 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

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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 Office of Commission Clerk, 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.