

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-06-0633-PHO-EI
ISSUED:July 28, 2006

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code, a Prehearing Conference was held on July 27, 2006, in Tallahassee, Florida, before Commissioner Katrina J. Tew, as Prehearing Officer.

APPEARANCES:

KENNETH A. HOFFMAN, ESQUIRE, Rutledge, Ecenia, Purnell and Hoffman,
P.A., P.O. Box 551 Tallahassee, Florida, 32302, and GARSON R. KNAPP,
ESQUIRE, 700 Universe Boulevard, Juno Beach, Florida, 33408-0420
On behalf of FLORIDA POWER & LIGHT COMPANY.

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

PREHEARING ORDER

I. 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 section 403.537, Florida Statutes, and Rule 25-22.080, Florida Administrative Code. Thereafter, on June 26, 2006, FPL filed its Petition and supporting testimony and exhibits. The matter has been scheduled for a formal administrative hearing on August 8, 2006.

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, Florida Administrative Code, this 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 section 403.537, Florida Statutes. This hearing will be governed by that statute, Chapter 120, Florida Statutes and Rules 25-22.075 and 28-106, Florida Administrative Code.

DOCUMENT NUMBER-DATE

06675 JUL 28 8

FPSC-COMMISSION CLERK

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), Florida Statutes, 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, Florida Statutes. 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, Florida Statutes, 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, Florida Statutes, 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 Division of the Commission Clerk and Administrative Services' 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), Florida Administrative Code, 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. All testimony which has been prefiled in this case 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 appropriate objections. 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. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. After all parties and Staff have had the opportunity to object and cross-examine, 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.

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.

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

In light of the proposed stipulated positions to the issues in this case, FPL's witness may be excused from the hearing if no Commissioner assigned to the case seeks to cross-examine him. Staff will notify FPL by Tuesday, August 1, 2006, whether the witness will be required to be present at the hearing. If the witness is excused, his testimony will be inserted into the record as though read, and all exhibits submitted with the testimony shall be identified as shown in Section IX of this Prehearing Order and admitted into the record.

| <u>Witness</u> | <u>Proffered By</u> | <u>Issues #</u> |
|--------------------|---------------------|-----------------|
| <u>Direct</u> | | |
| Vicente Ordax, Jr. | FPL | 1,2,3,4 |

VII. BASIC POSITIONS

FPL and staff support the basic position and the proposed stipulations on the issues set out below.

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 (the “Project”) 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.

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, FPL’s Petition to Determine the Need for the Bobwhite-Manatee 230kV Project should be approved.

VIII. ISSUES AND POSITIONS

STIPULATED

ISSUE 1: Is there a need for Florida Power & Light Company’s proposed Bobwhite-Manatee 230 kV electrical transmission line project, given the need for electric system reliability and integrity, as prescribed in section 403.537, Florida Statutes?

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.

POSITION: Yes. 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; (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.

STIPULATED

ISSUE 2: Is there a need for Florida Power & Light Company's proposed Bobwhite-Manatee 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 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.

STIPULATED

ISSUE 3: Are Florida Power & Light Company's existing Manatee substation in Manatee County and its planned Bobwhite substation in Sarasota County the appropriate starting and ending points of the proposed Bobwhite-Manatee 230kV electrical transmission line project, as prescribed in section 403.537, Florida Statutes?

POSITION: Yes. 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 length and route of FPL's transmission line.

STIPULATED

ISSUE 4: Should the Commission grant Florida Power & Light Company's petition for determination of need for the proposed Bobwhite-Manatee 230 kV electrical transmission line project?

POSITION: Yes. FPL 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.

STIPULATED

ISSUE 5: Should this docket be closed?

POSITION: Yes. The docket should be closed upon issuance of the Commission's final order in the case.

IX. EXHIBIT LIST

| <u>Witness</u> | <u>Proffered By</u> | <u>I.D. No.</u> | <u>Description</u> |
|--------------------|---------------------|-----------------|---|
| | <u>Direct</u> | | |
| None | FPL | _____ | Notices of Final Hearing and Affidavits of Publication |
| Vicente Ordax, Jr. | | _____ VO-1 | Exhibit "A" to the Petition to Determine Need for the Bob-white-Manatee 230 kV transmission line in Manatee and Sarasota Counties |

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

X. PROPOSED STIPULATIONS

FPL and staff propose the stipulations for ISSUES 1, 2, 3, 4, and 5 set out in Section VIII above.

XI. PENDING MOTIONS

There are no pending motions.

XII. PENDING CONFIDENTIALITY MATTERS

Florida Power & Light Company's request for confidential treatment for Document Nos. 05613-06 and 05614-06, filed on June 26, 2006, was granted by Order No. PSC-06-0631-CFO-EI, issued July 26, 2006. There are no other pending confidentiality matters.

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 August 8, 2006.

XIV. RULINGS

Opening statements, if any, shall not exceed five minutes per party.

It is therefore,

ORDERED by Commissioner Katrina J. Tew, 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 Katrina J. Tew, as Prehearing Officer, this 28th day of July, 2006.


KATRINA J. TEW
Commissioner and Prehearing Officer

(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.

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 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

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remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.