

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for determination of need for
Duval-Raven 230 kV transmission line in
Baker, Columbia, Duval, and Nassau Counties,
by Florida Power & Light Company.

DOCKET NO. 150263-EI
ORDER NO. PSC-16-0091-FOF-EI
ISSUED: March 4, 2016

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
LISA POLAK EDGAR
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS

FINAL ORDER APPROVING DETERMINATION OF NEED
FOR AN ELECTRICAL TRANSMISSION LINE

APPEARANCES:

William P. Cox, ESQUIRE, 700 Universe Blvd., Juno Beach, Florida 33408
On behalf of Florida Power & Light Company (FPL).

Lee Eng Tan and Charles Murphy, ESQUIRES, Florida Public Service
Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the Florida Public Service Commission (Staff).

Mary Anne Helton, Deputy General Counsel, Florida Public Service Commission,
2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission.

BY THE COMMISSION:

BACKGROUND

On December 11, 2015, Florida Power & Light Company (FPL) filed a notice of intent to file a petition for Determination of Need for Duval-Raven 230 kV transmission line in Baker, Columbia, Duval, and Nassau Counties, pursuant to Section 403.537, Florida Statutes (F.S.), and Rule 25-22.075, Florida Administrative Code (F.A.C.). On January 11, 2016, FPL filed its petition to determine need for electrical transmission line. Notice of the filing of FPL's petition 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.

A Prehearing Conference was held on February 10, 2016. The administrative hearing was held on February 24, 2016 and none of the issues were contested. Our bench decision is set forth below.

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

FPL has demonstrated a need for the proposed Duval-Raven 230 kV transmission line project, taking into account the need for electric system reliability and integrity. This transmission line is needed to: (a) serve the forecasted load and customer base in FPL's North Region; (b) increase the capacity of the existing 230 kV transmission network between the Duval, Baldwin, and Bradford Substations and relieve the loading on the existing 115 kV transmission network between the Baldwin, Bradford, and Columbia Substations consistent with the reliability standards and criteria established by the North American Electric Reliability Corporation; and (c) provide another electrical feed from the Duval Substation in Duval County to the Lake City area in Columbia County largely adjacent to an existing 115 kV transmission network. FPL's studies estimate that the proposed project would reduce transmission losses by approximately 6.2 MW at peak load. Therefore, the proposed Duval-Raven 230 kV transmission line project shall maintain and improve the reliability and improve the power transfer capability to FPL's customers in this area.

The need for transmission system upgrades is most frequently based on potential overload or low voltage conditions associated with contingency events, which occur when a facility such as a generator, transmission circuit or transformer is disconnected from the system. The record in this case demonstrates that if FPL does not add or improve transmission capacity in the projected service area by December 2018, potential overloads ranging from 9 to 14 percent of the thermal line rating for certain existing lines are forecasted under certain contingencies.

For these reasons, we find that FPL's Duval-Raven 230 kV transmission line 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

FPL has demonstrated a need for the proposed Duval-Raven 230 kV transmission line project, taking into account the need for abundant, low cost electrical energy to assure the economic well-being of the citizens of the state. The record in this case demonstrates that the proposed Duval-Raven 230 kV transmission line project is the most cost-effective and efficient means to both reinforce the existing 230 kV and 115 kV networks and provide electrical service to existing and future load areas and substations within the Baldwin-Columbia-Bradford transmission facilities.

The estimated capital cost of the proposed Duval-Raven 230 kV transmission line project is \$71 million, including approximately \$15 million for the new Raven substation. Approximately 96% of the length of the new transmission line will be located within an existing transmission line right-of-way. While the final cost is subject to the final route and other conditions that could be imposed through the Transmission Line Siting Act process, the estimated cost appears reasonable.

FPL evaluated three alternatives to the proposed Duval-Raven Project. Alternative I consists of ampacity upgrades of several line sections, some of the sections requiring reconductoring, in the existing 115 kV transmission lines in the region and installation of additional substation equipment to provide voltage support. The estimated capital cost of Alternative I is \$101 million. Alternative I would reduce transmission losses by approximately 0.5 MW at peak load and delay the construction of additional 230 kV transmission upgrades by six years. Alternative I was rejected by FPL based upon economics, potential construction delays due to required clearances for reconductoring the existing 115 kV transmission line sections, the lack of future transmission network flexibility, and the fact it would require significant future transmission improvements in the area. Alternatives II and III consist of various configurations of a new 230 kV transmission line connecting the existing Suwannee River or Fort White substations with the existing Columbia substation. Alternatives II and III would provide a long term transmission solution, but would require additional rights of way acquisitions and expansion of the existing Columbia Substation which is built out and located in a residential area. Therefore, Alternatives II and III were not considered practical or feasible options by FPL.

Appropriate Starting and Ending Points

We find that a new transmission line sited west from FPL's existing Duval Substation in Duval County to FPL's planned Raven Substation in Columbia County will be the most reliable, cost-effective means to serve the projected load growth within Baker, Bradford, Columbia, and Union Counties. The record demonstrates that the appropriate starting and ending points are the Duval Substation and the planned Raven Substation, respectively. The Transmission Line Siting Board will make the final determination concerning the length and route of the proposed transmission line.

Decision

We approve FPL's petition for determination of need for the Duval-Raven 230 kV transmission line project starting in December 2018, taking into account 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 residents of this state. We find that the appropriate starting and ending points of the line are the existing Duval Substation in Duval County and FPL's planned Raven Substation in Columbia County, respectively. We note that the Transmission Line Siting Board will make the final determination concerning the length and route of the transmission line. FPL 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 Florida Power & Light Company's petition for determination of need for the Duval-Raven 230 kV transmission line in Baker, Columbia, Duval, and Nassau Counties is granted. It is further

ORDERED that Florida Power & Light Company's Duval-Raven 230 kV transmission line project is needed, taking into account the criteria set forth in section 403.537, Florida Statutes. Is it further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 4th day of March, 2016.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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 fifteen (15) 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 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.