BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Determination of Need for the Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line Project in Orange and Osceola Counties, by Orlando Utilities Commission

DOCKET NO. 20200107-EM

FILED: May 1, 2020

ORLANDO UTILITIES COMMISSION'S PETITION FOR DETERMINATION OF NEED FOR ELECTRICAL TRANSMISSION LINE

The Orlando Utilities Commission ("OUC"), pursuant to Section 403.537, Florida Statutes, 1 Chapter 120, Florida Statutes, Rules 25-22.075 and 25-22.076, Florida Administrative Code ("F.A.C."), and Rule 28-106.201, F.A.C., hereby respectfully petitions the Florida Public Service Commission ("PSC") for an order determining that OUC's proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line Project (the "Project") is needed, consistent with the criteria set forth in applicable statutes and the PSC's rules. In summary, as described and demonstrated in OUC's exhibits and testimony accompanying this Petition, the proposed transmission line is needed in the Summer 2025 time frame to maintain reliable service in the area to be served by the line and to provide abundant, low-cost electrical energy to assure the economic wellbeing of Florida residents and businesses. In addition to meeting these reliability and economic needs, the proposed line will support the integration of planned renewable electric generating facilities into Florida's power supply grid and strengthen the capacity and reliability of the state's transmission system as a whole.

In further support of its Petition, OUC states as follows.

¹ All references to the Florida Statutes are to the 2019 edition.

PROCEDURAL BACKGROUND

1. The name, address, and contact information of the Petitioner are:

Orlando Utilities Commission Reliable Plaza at 100 West Anderson Street Post Office Box 3193 Orlando, Florida 32802.

2. All pleadings, order, notices, correspondence, and other materials should be directed to OUC's representatives as follows:

Robert Scheffel Wright
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with a courtesy copy to:

W. Christopher Browder, Vice President & General Counsel Office of General Counsel Orlando Utilities Commission Reliable Plaza at 100 West Anderson Street Post Office Box 3193 Orlando, Florida 32802 Telephone (407) 434-2167 CBrowder@ouc.com

3. The agency affected by this Petition is:

Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850.

LEGAL & FACTUAL BACKGROUND

- 4. OUC is an electric utility within the meaning of Section 366.02(2), Florida Statutes. OUC's retail electric service area covers approximately 248 square miles and includes the City of Orlando, portions of unincorporated Orange County, and portions of Osceola County. In addition, OUC and the City of St. Cloud ("St. Cloud") have entered into an interlocal agreement under Chapter 163, Florida Statutes (the "Interlocal Agreement"), pursuant to which OUC provides all services necessary to and associated with the provision of retail electric energy to all St. Cloud electric customers, including all services provided by OUC to OUC's customers. Including the retail customers in St. Cloud, OUC currently serves approximately 242,000 electric customer accounts, including approximately 211,000 electric residential customers, 25,000 electric commercial customers, 5,700 electric industrial customers, a small number of customers to whom OUC provides street and highway lighting service, and a similarly small number of other public authorities to which OUC provides service. While St. Cloud is a legally separate municipal electric utility, consistent with OUC's obligations pursuant to the Interlocal Agreement, OUC treats the St. Cloud load and customers as part of OUC's retail obligations for planning and energy conservation purposes.
- 5. OUC's obligations under the Interlocal Agreement specifically include providing all management services and resources necessary to maintain St. Cloud's electric utility system and assets, as well as operating and maintaining St. Cloud's transmission system (and distribution system) consistent with OUC's operating and maintenance practices. OUC's existing transmission system in Orlando/Orange County consists of 31

substations interconnected through approximately 335 miles of 230 kV, 115 kV, and 69 kV lines. OUC is integrated into the Florida Reliability Coordinating Council (FRCC) regional transmission grid through twenty-one 230 kV and one 69 kV metered interconnections with other utilities. Additionally, pursuant to the Interlocal Agreement, OUC is responsible for planning, operating, and maintaining St. Cloud's four substations, 55 miles of transmission lines, and three interconnections with other utilities.

6. The Florida Electric Transmission Line Siting Act, Sections 403.52-403.5365, Florida Statutes (the "TLSA"), requires applicants for certain transmission lines to obtain the PSC's determination of need for proposed lines. The proposed Orlando/St. Cloud Regional Resiliency Connection will operate at 230,000 volts (230 kilovolts or 230 kV) and will be located in Orange and Osceola Counties, and its length will exceed 15 miles. These factors bring the line under the mandatory jurisdiction of the TLSA. Fla. Stat. §§ 403.522(22) & 403.524(2)(d). Pursuant to the TLSA, the PSC has the jurisdiction and statutory responsibility to hold a hearing and issue an order determining the need for the proposed line in accordance with criteria set forth in the statute. Fla. Stat. §§403.526(2)(a)7 & 403.537. Specifically, in making its determination of need, the PSC is required to take into account

the need for electric system reliability and integrity, the need for abundant, low-cost electrical energy to assure the economic well-being of the residents of this state, the appropriate starting and ending point of the line, and other matters within its jurisdiction deemed relevant to the determination of need.

Fla. Stat. § 403.537. The PSC fulfills its responsibilities pursuant to PSC Rules 25-22.075 and 25-22.076, F.A.C. OUC expects to file its application for certification of the proposed

corridor for the Project later in 2020.

7. The need for the proposed Project results primarily from load growth in and around St. Cloud. Despite previous projections that electric load growth in that area would slow down, growth has in fact continued to be much stronger than previously projected, resulting in OUC projecting a need for new transmission capacity by the Summer of 2025. To meet this need, the projected in-service date for the line is approximately May or June of 2025. If the proposed line is not constructed in approximately the time frame sought, OUC will lack sufficient capacity to deliver all of the power requirements of customers in the St. Cloud area, certain transmission line segments in the region will exceed their capacity ratings, and certain line segments will also experience unacceptable low-voltage conditions. Based on transmission planning and engineering analyses, including load flow studies the results of which are reported in Exhibit A to the Petition and also in the exhibits accompanying the testimony of OUC's witness, Aaron Staley, P.E., OUC determined that the proposed line, with its starting point at the Magnolia Ranch Substation in Orange County and its ending point at the St. Cloud East Substation in Osceola County, will best meet the needs of the customers that OUC is responsible to serve.

STATEMENT OF SUBSTANTIAL INTERESTS AFFECTED

8. By its Petition, OUC asks the PSC to issue an order determining that OUC's proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line is needed. OUC is an electric utility within the meaning of Section 366.02(2), Florida Statutes, and is therefore a proper applicant for the PSC's determination of need pursuant to Section 403.522(4), Florida Statutes. OUC is responsible for meeting the electric service

needs of all of its retail customers and also, pursuant to the Interlocal Agreement, the electric service needs of all of the retail electric customers of the City of St. Cloud. OUC thus has standing under the TLSA to seek certification of its proposed line and to seek the PSC's determination of need for the line. OUC's substantial interests in meeting its obligations to serve its customers and St. Cloud's customers reliably and economically will be directly determined by the PSC in this proceeding.

DISPUTED ISSUES OF MATERIAL FACT

- 9. Pursuant to Section 403.537, Fla. Stat., the issues to be decided in this docket are as follows:
- ISSUE 1: Is there a need for OUC's proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line, taking into the account the need for electric system reliability and integrity, in accordance with Section 403.537(1)(c), Florida Statutes?
- ISSUE 2: Is there a need for OUC's proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line, taking into the account the need for abundant, low-cost electrical energy to assure the economic well-being of the residents of the state, in accordance with Section 403.537(1)(c), Florida Statutes?
- ISSUE 3: Are OUC's existing Magnolia Ranch substation in Orange County and the St. Cloud East substation in Osceola County the appropriate starting and ending points of the proposed transmission line?
- ISSUE 4: Should the PSC grant OUC's petition for determination of need for the proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line project?

At this time, OUC is not aware of any disputes regarding these issues, and OUC has filed with this Petition competent, substantial evidence that fully addresses all issues.

STATEMENT OF ULTIMATE FACTS ALLEGED

- 10. OUC asserts that the following ultimate facts, fully supported by the competent and substantial evidence set forth in Exhibit A to the Petition and in the testimony and exhibits of OUC's witness Aaron Staley, P.E., filed contemporaneously with this Petition, demonstrate that the Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line is needed, with the starting point at the Magnolia Ranch substation in Orange County and the ending point at the St. Cloud East substation in Osceola County, taking into account the need for system reliability and integrity and the need for abundant, low-cost electrical energy to assure the economic well-being of the residents of the state.
- 11. The specific conditions and contingencies that demonstrate the need for the proposed line include:
 - A. The Project is needed to maintain and improve reliability to accommodate projected load growth in the area in and around the City of St. Cloud.
 - B. The Project will improve power transfer capabilities of the transmission system serving St. Cloud, within the OUC system, and also in the bulk power grid serving the greater Orlando region.
 - C. The Project will accommodate the integration of new renewable electric generating facilities in the region into Florida's power supply grid.
 - D. If the Project is constructed in the Summer 2025 time frame as planned, it will avoid thermal overloads that are projected to occur if the line is not constructed as planned. The Project will also reduce the potential impacts of low-voltage conditions that may occur under contingency conditions and in subsequent years under normal load and operating conditions.
 - E. The Project will result in lower costs to serve retail customers of OUC and the City of St. Cloud than if the line is not constructed.
 - F. OUC considered several alternative configurations for proposed additional transmission capacity to serve the affected area, including corridors with

- different starting and ending points, different line and transformer configurations, other transmission improvements, and other non-transmission measures, including distributed generation. OUC's analyses concluded that the proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line will best serve the reliability and economic needs of the customers that OUC is responsible to serve.
- G. If the installation and operation of the Project is delayed beyond the Summer 2025 time frame as proposed by OUC, service reliability will be reduced and certain reliability criteria, specifically thermal overloads on some transmission facilities post-contingency will be violated under normal load conditions, even with all facilities in service pre-contingency. Additionally, the risk of low-voltage conditions impairing reliability will be increased under contingency conditions if the Project is delayed.

STATUTES AND RULES THAT ENTITLE OUC TO THE RELIEF REQUESTED

12. OUC is entitled to the relief requested, i.e., a hearing and an affirmative determination of need for the proposed transmission line with its starting point at the Magnolia Ranch Substation in Orange County and its ending point at the St. Cloud East Substation in Osceola County, by Sections 120.569 and 120.57, Florida Statutes, and Section 403.537, Florida Statutes. OUC is further entitled to the relief requested by PSC Rules 25-22.075 and 25-22.076, F.A.C.

CONCLUSION AND RELIEF REQUESTED

13. As explained above and demonstrated by the testimony and exhibits of OUC's witness, Aaron Staley, P.E., there is a need for OUC's proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line, with the starting point at the Magnolia Ranch Substation in Orange County and the ending point at the St. Cloud East Substation in Osceola County, taking into account the need for system reliability and integrity and the need for abundant, low-cost electrical energy to assure the economic well-

being of the residents of the state. Accordingly, OUC is entitled to the requested hearing and to the PSC's order determining that the proposed transmission line is needed, as set forth herein.

WAIVER OF STATUTORY HEARING TIME REQUIREMENT

Section 403.537(1)(a), Florida Statutes, provides that the PSC is to hold the hearing on a petition for determination of need for a jurisdictional transmission line "within 45 days after the filing of the request." Counsel for OUC and counsel for the PSC Staff have worked cooperatively on scheduling the proceedings for OUC's transmission line need determination in these difficult times, and have agreed that OUC will file its petition, testimony, and exhibits on May 1, 2020, which is more than 45 days in advance of the date that has been scheduled for the hearing. Accordingly, OUC hereby waives its right to a hearing within 45 days of filing its petition, to permit the hearing to be held as agreed on June 18, 2020.

WHEREFORE, the Orlando Utilities Commission respectfully requests that the Florida Public Service Commission:

- A. Hold a hearing on OUC's Petition in accordance with Section 403.537, Florida Statutes, Chapter 120, Florida Statutes, and Rules 25-22.075 and 25-22.076, F.A.C.;
- B. Determine that there is a need for OUC's proposed Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line, with the starting point at the Magnolia Ranch substation in Orange County and the ending point at the St. Cloud East substation in Osceola County, taking into account the need for system reliability and integrity and the need for abundant, low-cost electrical energy to

assure the economic well-being of the residents of the state; and

C. Enter its final order determining need for the Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line.

Respectfully submitted this 1st day of May, 2020.

/s/ Robert Scheffel Wright

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Attorneys for the Orlando Utilities Commission

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail this <u>1st</u> day of May, 2020, to the following parties.

Charles Murphy J.R. Kelly Gabriella Passidomo Patricia Christensen Office of the General Counsel Thomas David Florida Public Service Commission A. Mireille Fall-Fry 2540 Shumard Oak Blvd. Office of Public Counsel Tallahassee, FL 32399-0850 c/o The Florida Legislature 111 West Madison Street, Room 812 cmurphy@psc.state.fl.us gpassido@psc.state.fl.us Tallahassee, Florida 32399 kelly.jr@leg.state.fl.us christensen.patty@leg.state.fl.us david.tad@leg.state.fl.us fall-fry.mireille@leg.state.fl.us

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20200107-EM

ORLANDO UTILITIES COMMISSION

MAY 1, 2020

IN RE: PETITION FOR DETERMINATION OF NEED FOR THE ORLANDO/ST. CLOUD REGIONAL RESILIENCY CONNECTION 230 kV TRANSMISSION LINE PROJECT IN ORANGE AND OSCEOLA COUNTIES, BY ORLANDO UTILITIES COMMISSION

EXHIBIT A TO THE PETITION

EXHIBIT A IS CONFIDENTIAL IN ITS ENTIRETY AND IS BEING SUBMITTED SEPARATELY PURSUANT TO A REQUEST FOR CONFIDENTIAL CLASSIFICATION PURSUANT TO RULE 25-22.006, F.A.C.