

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
ORDER NO. PSC-2020-0185-PHO-EM
ISSUED: June 12, 2020

PREHEARING ORDER

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on June 9, 2020, in Tallahassee, Florida, before Commissioner Art Graham, as Prehearing Officer.

APPEARANCES:

W. CHRISTOPHER BROWDER, Esquire, Vice President and General Counsel, Reliable Plaza at 100 West Anderson Street, Orlando FL 32802-3193
On behalf of Orlando Utilities Commission.

ROBERT SCHEFFEL WRIGHT/JOHN T. LAVIA, III, Esquires, Gardner, Bist, Bowden, Bush, Dee, LaVia, and Wright, PA., 1300 Thomaswood Drive, Tallahassee FL 32308
On behalf of Orlando Utilities Commission.

CHARLES W. MURPHY/GABRIELLA PASSIDOMO, 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, Esquire, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, Esquire, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Florida Public Service Commission General Counsel.

I. CASE BACKGROUND

On May 1, 2020, pursuant to Section 403.537, Florida Statutes (F.S.), Chapter 120, F.S., Rules 25-22.075, 25-22.076, and 28-106.201, Florida Administrative Code (F.A.C.), the Orlando Utilities Commission (OUC or Utility) filed its Petition for Determination of Need for Electrical Transmission Line (Petition).

In this docket, the Florida Public Service Commission (Commission) will make that need determination. Separate public hearings will be held before an Administrative Law Judge of the Division of Administrative Hearings to consider environmental and other impacts of the Orlando/St. Cloud Regional Resiliency Connection 230 kV transmission line, as required by the Florida Electric Transmission Line Siting Act, Sections 403.52-403.5365, F.S.

An Order Establishing Procedure, Order No. PSC-2020-0135-PCO-EM, was issued on May 6, 2020, and modified by Order No. PSC-2020-0171-EM, issued on May 29, 2020 (First Order Modifying Procedure), to provide for a remote prehearing and hearing in this docket due to COVID-19. Directions for public attendance at the prehearing and hearing, and public testimony at the hearing were included in the First Order Modifying Procedure and on the Commission's web site www.floridapsc.com under the heading "Hot Topics."

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, F.A.C., this Prehearing 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 Section 403.537, F.S. This hearing will be governed by said statute, Chapter 120, F.S., and Chapters 25-6, 25-22, 28-106, and 28-109, F.A.C., as well as any other applicable provisions of law.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., 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, F.S. 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, F.S., 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, F.S., at the hearing is cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Confidential information should be presented by written exhibit when reasonably possible. All exhibits were provided prior to the hearing. Consistent with applicable law, information determined to be proprietary confidential business shall be protected from public disclosure. If a confidential exhibit has been admitted into evidence, a copy shall be retained in the Office of Commission Clerk's 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), F.A.C., 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 and 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 timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. 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 three minutes. The Chairman will administer the testimonial oath to each witness immediately before the witness summarizes his or her testimony.

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. After all parties and Staff have had the opportunity to cross-examine the witness, 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.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

VI. ORDER OF WITNESSES

| <u>Witness</u> | <u>Proffered By</u> | <u>Issues #</u> |
|-----------------------|---------------------|-----------------|
| <u>Direct</u> | | |
| Aaron B. Staley, P.E. | OUC | 1, 2, 3 and 4 |

VII. BASIC POSITIONS

OUC: OUC is an electric utility within the meaning of Section 366.02(2), Florida Statutes, that operates a system of generation, transmission, and distribution facilities in Orange and Osceola Counties. OUC is therefore a proper applicant for the PSC's determination of need for the Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line Project ("Project"). OUC's electric service area covers approximately 248 square miles and includes the City of Orlando, portions of unincorporated Orange County, and portions of Osceola County. Additionally, pursuant to an Interlocal Agreement, OUC serves the entire electric service requirements of St. Cloud and treats the St. Cloud load and customers as part of OUC's retail obligations for planning and energy conservation purposes. Including the customers in St. Cloud, OUC serves a total of approximately 242,000 electric customer accounts: 211,000 residential customers, 25,000 commercial customers, 5,700 industrial customers, and a small number of street and highway lighting customers and other public authorities.

OUC's transmission system includes 31 substations interconnected through approximately 335 miles of 230 kV, 115 kV, and 69 kV transmission lines. Additionally, through the Interlocal Agreement, OUC is responsible for planning, operating, and maintaining St. Cloud's four substations, 55 miles of transmission lines, and three interconnections. OUC also has a total of 22 interconnections with other electric utilities operating in the Florida Reliability Coordinating Council ("FRCC") grid.

OUC's Petition for Determination of Need, together with the testimony and exhibits of Aaron B. Staley, P.E., OUC's witness for this case, provide all information required by PSC Rule 25-22.076, Florida Administrative Code ("F.A.C."), which prescribes the filing requirements for transmission line need determination petitions.

The Project is needed to ensure system reliability and integrity for the St. Cloud area specifically, because the electrical loads on the system serving the St.

Cloud area are rapidly approaching the transmission capability of the grid to deliver power reliably to customers in that area. If OUC does not add the Project, the system serving St. Cloud will be at risk for overloads and under-voltage conditions beginning in 2023; in the event of unusually warm summer weather, such reliability issues could arise even sooner. The Project is also needed to ensure the delivery of abundant, low-cost electric energy to meet the needs of customers of OUC and other utilities in the central Florida area. Specifically, there is one 74.5 MW solar facility already under construction in the St. Cloud area, and the developers of more than 300 MW of additional new solar capacity have requested or are expected to request interconnection evaluation in the same area. Without the Project, the capability of the transmission system serving this area cannot accommodate the delivery of this amount of solar power under all conditions; the Project will significantly enhance the 230 kV backbone transmission system in this area and facilitate the integration of new solar capacity.

Through its ongoing transmission planning studies, OUC recognized that projected load growth in the St. Cloud area would require additional transmission capacity in order to maintain reliable service. Accordingly, OUC evaluated a number of potential alternatives to address these reliability concerns, including capacitor banks, upgrades to existing 69 kV facilities within the St. Cloud area, and several additional 230 kV transmission line projects. After extensive evaluation and consideration, including consideration of the significant growth in planned solar generation that would deliver power into the transmission system serving the area, OUC determined that the Orlando/St. Cloud Regional Resiliency Connection 230 kV 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, will best meet the reliability and economic needs for additional transmission capacity to serve the area. OUC is in the final stages of analyzing three potential routes for the Project from Magnolia Ranch to St. Cloud East. The final route of the Project has not been determined, pending further evaluation of local impacts, land acquisition, and permitting issues, but the starting and ending points will not change.

In conclusion, the Project is needed to ensure system reliability and integrity to the St. Cloud area, to promote the delivery of abundant, low-cost electricity to the customers of OUC and other utilities in the area, and to facilitate the delivery of planned solar generating capacity under development in the area. Accordingly, the PSC should grant OUC's requested determination of need for the Project.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing

for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

VIII. ISSUES AND POSITIONS

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(I)(c), Florida Statutes?

OUC: Yes.

STAFF: Staff has no position at this time.

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(I)(c), Florida Statutes?

OUC: Yes.

STAFF: Staff has no position at this time.

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?

OUC: Yes.

STAFF: Staff has no position at this time.

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?

OUC: Yes. The Orlando/St. Cloud Regional Resiliency Connection 230 kV Transmission Line will ensure system reliability and integrity, provide for the transmission and delivery of abundant, low-cost electrical energy to retail customers, and enhance the integration of planned solar generating resources into the Florida grid. Accordingly, the PSC should grant OUC's petition determining that this Project is needed.

STAFF: Staff has no position at this time.

ISSUE 5: **Should this Docket Be Closed?**

OUC: Yes.

STAFF: Yes. This docket should be closed after the time for filing an appeal has run.

IX. EXHIBIT LIST

| <u>Witness</u> | <u>Proffered By</u> | | <u>Description</u> |
|----------------------|-------------------------|------------------------|--|
| <u>Direct</u> | | | |
| Aaron B. Staley, P.E | OUC | AS-1 | Resume of Aaron B. Staley, P.E. |
| Aaron B. Staley, P.E | OUC | AS-2 | Map of Major Transmission Lines in the Project Area |
| Aaron B. Staley, P.E | OUC | AS-3 | Diagram of St. Cloud Area Transmission Lines & Facilities |
| Aaron B. Staley, P.E | OUC | AS-4 | Potential Routes within Study Area |
| Aaron B. Staley, P.E | OUC | AS-5 | Typical Pole Design |
| Aaron B. Staley, P.E | OUC | AS-6 (confidential) | Load Flow Study Results - Summary and Details |
| Aaron B. Staley, P.E | OUC | AS-7 | Load Flow Study Solar Integration With and Without Project |

X. PROPOSED STIPULATIONS

OUC and staff propose that the Comprehensive Exhibit List and all exhibits be included in the record.

XI. PENDING MOTIONS

None.

XII. PENDING CONFIDENTIALITY MATTERS

None.

XIII. CONFLICTS WITH ORDER ESTABLISHING PROCEDURE

None.

IX. POST-HEARING PROCEDURES

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

XIV. RULINGS

Opening statements, if any, shall not exceed 3 minutes per party.

Witness summary of testimony shall not exceed 3 minutes.

Sworn public testimony shall not exceed 5 minutes per person.

It is therefore,

ORDERED by Commissioner Art Graham, 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 Art Graham, as Prehearing Officer, this 12th day of June, 2020.



ART GRAHAM

Commissioner and Prehearing Officer
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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.

CWM

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 Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, 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 remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.