

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

IN RE: Fuel and Purchase Power Cost  
Recovery Clause with Generating Performance  
Incentive Factor

Docket No: 140001-EI  
Filed: August 1, 2014

**JOINT MOTION OF FLORIDA POWER & LIGHT COMPANY AND OFFICE OF  
PUBLIC COUNSEL FOR APPROVAL OF STIPULATION FOR SCHEDULE TO  
DECIDE ON GAS RESERVE PROJECT ISSUES AND DEFERRAL OF  
ST. LUCIE UNIT 2 EXTENDED REFUELING OUTAGE ISSUE**

Florida Power & Light Company (“FPL”) and the Office of Public Counsel (“OPC”) hereby jointly move for approval of their stipulation to a schedule for presenting evidence, briefing and decision on the issues arising out of FPL’s June 25, 2014 petition for approval of a gas reserve project and guidelines for future gas reserve projects (the “Gas Reserve Petition”), as an amendment to the schedule set forth in the Order Establishing Procedure (Order No. PSC-14-0084-PCO-EI); and in conjunction therewith, to defer issues arising out of the extended refueling outage at St. Lucie Unit 2 in March-April 2014 to the 2015 Fuel Clause proceeding. FPL’s and OPC’s proposed stipulation is attached hereto as Exhibit A. In support of this joint motion, FPL and OPC state as follows:

1. The Gas Reserve Petition seeks Commission approval for FPL to invest, through a wholly-owned subsidiary, in a joint venture with PetroQuest Energy, Inc. (“PetroQuest”) that will develop natural gas production wells in the Woodford Shale region of Oklahoma. As a result of this investment, FPL will be entitled to a share of the gas produced from the wells, which it will provide to customers at a cost of production that is projected to be both lower and more stable than market prices. The Gas Reserve Petition also seeks approval for guidelines pursuant to which FPL could engage in future gas reserve projects. FPL is seeking a decision by the Commission this year, so that FPL can begin procuring gas at the cost of production under the PetroQuest agreement and move

forward with formalizing additional gas reserves agreements in January 2015. Accordingly, it is important to FPL that the parties' evidence be presented on the Gas Reserve Petition at the hearing scheduled in this docket for October 22-24, 2014 (or alternatively at a hearing scheduled early enough to permit a decision by the end of the year).<sup>1</sup>

2. OPC has raised several issues about the Gas Reserve Petition, addressing the propriety of gas reserves as electric utility assets, recovery of costs associated with gas reserves via the Fuel Clause, and the allocation of risk for gas reserve performance and economics between customers and FPL shareholders. FPL has filed direct testimony of three witnesses supporting the Gas Reserve Petition. OPC intends to file intervenor testimony addressing its gas reserve issues, and FPL expects that it will file rebuttal testimony responding to OPC's intervenor testimony. In order to ensure that the parties' positions on the gas reserve issues are fully developed and presented to the Commission for decision, OPC wants the opportunity to brief those issues, for the Commission staff to prepare a written recommendation on the issues, and for the Commission to make its decision based on the Staff recommendation and parties' briefs.

3. FPL and OPC are concerned that the current schedule in this docket does not adequately define a path forward for pre-filing testimony, conducting discovery, presenting evidence, briefing and ultimately a Commission decision on the gas reserve issues by the end of the year. Accordingly, FPL and OPC have collaborated on the development of the proposed schedule that is attached as Exhibit A. The proposed schedule would create separate filing deadlines for intervenor and rebuttal testimony on the gas reserve issues, a separate discovery cutoff for depositions of witnesses on those topics, grouping witnesses on the gas reserve issues together in the

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<sup>1</sup> The OPC does not necessarily concur in the representations in Paragraph 1, but concurs insofar as we accept FPL's representations for its motivation related to its filing and the decision timeline that it seeks to preserve.

scheduled hearing (or, alternatively, separate hearing dates), and a defined sequence for briefing, Staff recommendation and an agenda conference decision.

4. Exhibit A also proposes that OPC's issue concerning the extended refueling outage at FPL's St. Lucie Unit 2 be deferred to next year's Fuel Clause proceeding. That outage occurred in March-April 2014. The final true-up with respect to the fuel costs associated with that outage would be filed in March 2015 and will be reviewed by the Commission in next year's Fuel Clause proceeding. Any adjustment that the Commission might make to the fuel costs would be treated as an over-recovery that would be refunded with interest in the 2016 fuel factors that will be set next year. OPC has agreed to defer this issue in order to reduce the number of potentially time-consuming issues to be addressed this year at the October 22-24 hearing and therefore help facilitate an orderly and complete review of the gas reserve issues as discussed above.

5. FPL contacted counsel for all other parties of record by e-mail concerning this motion. FPL has been advised that TECO, FPUC and PCS Phosphate – White Springs support the motion and Gulf Power Company does not oppose it. At the time that this joint motion was filed, FPL had not received responses from other parties.

WHEREFORE, Florida Power & Light Company and the Office of Public Counsel jointly and respectfully move the Commission to approve the scheduling proposal that is attached hereto as Exhibit A, as an amendment to the schedule set forth in Order No. PSC-14-0084-PCO-EI.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**  
**DOCKET NO. 140001-EI**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic service on this 1<sup>st</sup> day of August 2014, to the following:

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## **EXHIBIT A**

In order to provide an appropriate path forward for pre-filing testimony, conducting discovery, presenting evidence, briefing and ultimately a Commission decision on the issues related to FPL's Gas Reserve Petition ("GRP") by the end of 2014, FPL and OPC agree on and propose the following schedule:

### **GRP Hearing Schedule**

- 20-day turnaround for discovery on the GRP
- Deadline for intervenor GRP testimony moved to September 15 from September 5.
- Deadline for GRP rebuttal testimony moved to October 3 from September 24.
- Depositions may be taken of any GRP witnesses (utility or intervenor) until October 15.
- All GRP witnesses to be presented during the October 22-24 hearing, unless the Commission sets alternate hearing dates that will support a decision by the end of 2014. If the GRP witnesses are presented at the October 22-24 hearing, they will appear following the conclusion of all evidence in the other clause dockets as well as all evidence on non-GRP issues in the Fuel Clause docket (No. 140001-EI).
- Separate briefing of GRP, with briefs due two weeks after hearing transcript is available, followed by a Staff recommendation separately addressing the GRP.
- Decision on GRP made before the end of 2014, at the November 25 or December 16 regular agenda conference or at a special agenda conference.

### **St. Lucie Unit 2 ("PSL2") Extended Refueling Outage**

- OPC's issue concerning the costs of replacement power associated with the PSL2 extended refueling outage is deferred to the 2015 Fuel Clause hearing, which is when the final true-up for 2014 fuel costs will be addressed.
- FPL will recover in 2015 Fuel Clause factors the actual fuel and purchased power costs incurred during the PSL2 extended refueling outage, subject to refund with interest as an over-recovery in the event that any adjustment were made to the recoverable costs as a result of OPC's issue.