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December 7, 2000

**VIA OVERNIGHT MAIL**

Ms. Blanca S. Bayó  
Division of Records and Recordings  
Florida Public Service Commission  
2450 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

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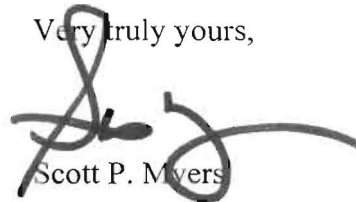
Re: Review of Florida Power & Light Company's proposed merger with Entergy Corporation, the formation of a Florida transmission company ("Florida transco") and their effect on FPL's retail rates  
Docket No. 001148-EI

Dear Ms. Bayó:

Enclosed for docketing please find an original and seven copies of Colonial Pipeline Company's Comments on Florida Power and Light Company's Opposition to Colonial's Petition to Intervene in the above-captioned docket, along with a diskette containing the same. The diskette is IBM-compatible, 2HD 1.44 mb. The platform is Windows 95 and the application is Word97.

A copy of this pleading has been sent to each individual identified on the Official Party Service List maintained by the Commission for this matter. Kindly date stamp one copy of this pleading and return it to us in the enclosed self-addressed, postage pre-paid return envelope. Please discard any excess copies.

Very truly yours,

  
Scott P. Myers

- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
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- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- LEG 1
- OPC \_\_\_\_\_
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- SEC 1
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cc: SPM  
Individuals identified on Official Party Service List  
Enclosures

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Done 12/11/00

DOCUMENT NUMBER-DATE  
**15769 DEC-88**  
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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Review of Florida Power & Light Company's proposed merger with Entergy Corporation, the formation of a Florida transmission company ("Florida transco"), and their effect on FPL's retail rates

DOCKET NO. 001148-EI

**COMMENTS OF COLONIAL PIPELINE COMPANY ON FLORIDA POWER & LIGHT COMPANY'S OPPOSITION TO COLONIAL'S PETITION TO INTERVENE**

Colonial Pipeline Company ("Colonial") respectfully submits these comments on Florida Power & Light Company's ("FP&L's") objection to Colonial's Petition to Intervene in this proceeding (the "Petition"). For the reasons set forth below, and in Colonial's Petition, Colonial's participation in this matter as an intervenor should be granted.

1. On November 17, 2000, Colonial petitioned for leave to intervene in this proceeding pursuant to Sections 25-22.039 and 28-106.205 of the Florida Administrative Code (the "FAC"). At that time, pursuant to Sections 28.105(4) and 28.106-106 of the FAC, the undersigned requested that their appearances as qualified representatives on behalf of Colonial be entered in this matter. FP&L raises no objection to that request.

2. Colonial is a common carrier pipeline regulated by the Federal Energy Regulatory Commission. Colonial transports approximately 80 million gallons daily of refined petroleum products to customers throughout the Southeastern and Eastern United States through a pipeline system that runs through Alabama, Mississippi, Louisiana, Georgia and Texas, among other states.

3. As noted in its Petition, the proposed merger would create the largest electric utility and the largest electric power generator in the United States. Moreover, if Entergy

Corporation's ("Entergy") proposed venture with Koch Industries is approved, the new company will be the leader in natural gas generating capacity in the United States and one of the largest marketers of both electric power and natural gas in the United States. That the proposed merger will have major ramifications in the electric and natural gas markets in the United States as a whole and in the Southeastern United States in particular is self-evident.

4. Colonial understands that this proceeding was initiated by the Commission to "consider the effect on FPL's *retail rates* of . . . FPL's planned merger with Entergy Corporation." Order Establishing Procedure, No. PSC-00-2105-PCO-EI, issued Nov. 6, 2000 (emphasis added). FP&L's assertion that this proceeding is not the proper forum to examine in this investigation issues of regional concern associated with the proposed merger is self-serving and wrong. Colonial notes that the existence of a competitive wholesale market, which is necessarily regional in scope, is an essential requirement for a competitive retail market. FPL Group, Inc. and Entergy have conceded in their merger application before the Louisiana Public Service Commission ("LPSC") that the merger may present market power issues in the region. While the Federal Energy Regulatory Commission will address wholesale market power issues created by this merger, this Commission may properly—and should—examine the impact of the proposed merger on retail competition and market power and the merger's likely impact upon competitive retail rates for its jurisdictional entities.

5. Colonial is not currently a customer of FP&L. However, Colonial purchases in excess of 400,000,000 KW/year of electricity in the Southeastern states from various Entergy Corporation affiliates, including from Entergy Gulf States in Texas, Entergy Gulf States in Louisiana and Entergy Mississippi, Inc. in Mississippi.

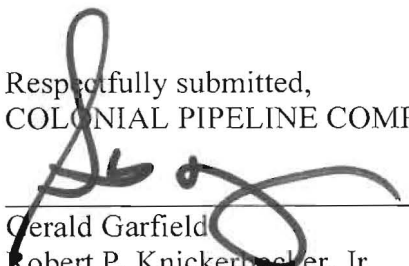
6. In its application filed before the LPSC, Entergy described various aspects of the proposed merger, including a proposal to make available for sale 150 MW of electric power generated by FP&L, as one utility operating subsidiary of the merged company, to other utility operating subsidiaries of the merged company (the Entergy utility subsidiaries, including those subsidiaries from which Colonial currently purchases electricity) through a transmission path over the Southern Company system. As a major purchaser of electricity from Entergy, Colonial will most likely be an end-use retail consumer of the FP&L power made available to Entergy operating utilities as a result of the proposed merger. In that capacity, Colonial does have an interest in FP&L's costs and rates.

7. FP&L's assertion that Colonial should not be permitted to intervene because Colonial cannot allege that it will "suffer 'injury in fact' from [the] contemplated action" of the Commission in this docket is disingenuous in light of FP&L's acknowledgement that "[t]his proceeding is an investigation, *designed to inform the Commission* about the proposed FPL-Entergy merger" and, further, that "the Commission *has not proposed any agency action* in this proceeding, and FPL has *not sought* agency action." (FP&L Objection, at 3 n. 1)(emphasis added). Under the logic of FP&L's argument, no entity would be permitted to intervene in this investigation since there could not possibly be any "injury in fact" that can result from this proceeding. This is clearly not the case, as evidenced, among other things, by the Commission's determination, over no objection by FP&L, that the Florida Industrial Power Users Group ("FIPUG") should be permitted to intervene to address its concerns with respect to the effect of the merger on FP&L's "market power" and "market dominance," among other things. (FIPUG September 8, 2000 Petition to Intervene, at ¶¶ 6-7.)

8. Finally, FP&L – incorrectly – asserts that Colonial is a competitor of Entergy and FP&L, and that Colonial’s interest in this proceeding reflects that competitive concern. According to FP&L, Colonial is concerned about the effect of the merger on “Colonial’s markets for natural gas . . .” (FP&L Objection, at ¶ 6.) As set forth both in its Petition and in Paragraph 2 above, Colonial is *not* in the natural gas business, but rather is a common carrier pipeline for refined petroleum products. Accordingly, this basis for FP&L’s objection lacks merit.

**WHEREFORE**, for the foregoing reasons, Colonial respectfully requests that the Commission grant its Petition so that Colonial’s interests, which will be affected by the proposed merger, will be adequately represented before the Commission. Should, however, the Commission be inclined to deny Colonial’s Petition, Colonial respectfully requests that it be permitted to remain on the service list in this docket, so that it may receive copies of the pleadings, discovery and other relevant materials.

Respectfully submitted,  
COLONIAL PIPELINE COMPANY,

  
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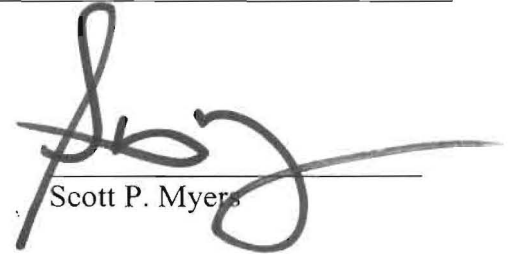
Its Attorneys

Dated on December 7, 2000 at Hartford, Connecticut.

**CERTIFICATE OF SERVICE**

I, Scott P. Myers, state that I have mailed a copy of the above pleading to the following persons by first class mail, postage pre-paid on December 7, 2000:

Michelle Hershel Florida Electric Cooperatives Association, Inc. P.O. Box 590 Tallahassee, FL 32302	Richard Zambo, Esq. Florida Industrial Cogeneration Assoc. 598 SW Hidden River Ave. Palm City, FL 34990
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