

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Petition to recover natural gas storage project costs through fuel cost recovery clause, by Florida Power & Light Company.

DOCKET NO. 060362-EI

DATED: OCTOBER 6, 2006

STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-06-0001-PCO-EI, filed January 3, 2006, and Order No. PSC-06-0207-PCO-EI, filed March 15, 2006, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

None at this time

b. All Known Exhibits

None at this time. Staff reserves the right to identify exhibits for proposed stipulation prior to hearing and for purposes of cross-examination at the hearing.

c. Staff's Statement of Basic Position

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 stated herein.

d. Staff's Position on the Issues

ISSUE 1: Should the Commission approve cost recovery through the fuel clause by Florida Power and Light for natural gas storage project costs and charges at both MoBay storage facility and Bay Gas storage facility, including monthly storage reservation charges, fuel retention and commodity charges for injection and withdrawal, monthly insurance charges, base gas charges and carrying costs on natural gas stored in inventory?

POSITION: Issue 1 is covered by Issues 2 and 3 and may be dropped.

ISSUE 2: Should the Commission approve FPL's proposal to recover the MoBay Gas Storage Costs including Base (pad) Gas and Fuel Storage Carrying Costs through the Fuel Cost Recovery ("FCR") Clause beginning in 2008?

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POSITION: No position pending testimony and evidence presented at hearing.

ISSUE 3: Should the Commission approve FPL's request to recover Carrying Costs on gas stored at the Bay Gas facility through the FCR Clause commencing upon approval of FPL's petition?

POSITION: No position pending testimony and evidence presented at hearing.

ISSUE 4: Should FPL be allowed to recover the costs for accessing and using the MoBay Gas Storage Facility?

POSITION: Issue 4 is covered by Issues 2 and 3 and may be dropped.

ISSUE 5: What is the appropriate regulatory treatment of the base gas requirement for the MoBay gas storage contract?

POSITION: Issue 5 is covered by Issues 2 and 3 and may be dropped.

ISSUE 6: What is the appropriate regulatory treatment for the carrying costs associated with any unamortized balance of MoBay base gas?

POSITION: Issue 6 is covered by Issues 2 and 3 and may be dropped.

e. Pending Motions

FPL's Motion for Temporary Protective Order, filed 06-15-06

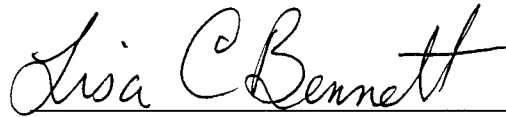
f. Pending Confidentiality Claims or Requests

FPL's Request for confidential classification, filed 09-15-06

g. Compliance with Order Nos. PSC-06-0001-PCO-EI and PSC-06-0207-PCO-EI.

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 6th day of October, 2006.

A handwritten signature in cursive script that reads "Lisa C. Bennett". The signature is written in black ink and is positioned above a horizontal line.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Staff's Prehearing Statement was
furnished to the following, by U.S. Mail, on this 6th day of October, 2006.

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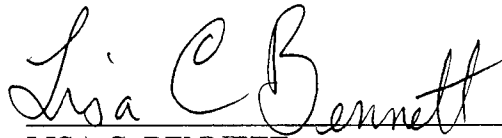
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