

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
ORDER NO. PSC-06-1053-S-EI
ISSUED: December 22, 2006

APPEARANCES:

R. WADE LITCHFIELD, ESQUIRE, and JOHN T. BUTLER, ESQUIRE, 700 Universe Boulevard, Juno Beach, Florida 33408
On behalf of FLORIDA POWER & LIGHT COMPANY (FPL).

MICHAEL B. TWOMEY, SR., ESQUIRE, P. O. Box 5256, Tallahassee, Florida 32314-5256
On behalf of AARP (AARP).

JOHN W. MCWHIRTER, JR., ESQUIRE, McWhirter, Reeves & Davidson, P.A., 40 North Tampa Street, Suite 2450, Tampa, Florida 33601-3350
On behalf of the FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG).

ROBERT SCHEFFEL WRIGHT, ESQUIRE and JOHN T. LAVIA, III, ESQUIRE, Young van Assenderp, P.A., 225 South Adams Street, Suite 200, Tallahassee, Florida 32301
On behalf of the FLORIDA RETAIL FEDERATION (FRF).

CHARLES J. CRIST, JR., ESQUIRE, JACK SHREVE, ESQUIRE, and CECILIA BRADLEY, ESQUIRE, Office of the Attorney General, The Capitol - PL01, Tallahassee, Florida 32399-1050
On behalf of the Citizens of Florida (AG).

CHARLES J. BECK, ESQUIRE, PATRICIA A. CHRISTENSEN, ESQUIRE and JOSEPH A. MCGLOTHLIN, ESQUIRE, Office of Public Counsel c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of the CITIZENS OF THE STATE OF FLORIDA (OPC).

LISA C. BENNETT, ESQUIRE, and WM. COCHRAN KEATING, IV, ESQUIRE, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
On behalf of the FLORIDA PUBLIC SERVICE COMMISSION (STAFF).

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

FINAL ORDER APPROVING STIPULATION FOR RECOVERY OF CERTAIN COSTS
ASSOCIATED WITH STORAGE OF NATURAL GAS

BY THE COMMISSION:

I. CASE BACKGROUND

As part of the continuing fuel and purchased power adjustment and generating performance incentive clause proceedings, an administrative hearing was held on November 6-8, 2006. By Order No. PSC-06-0207-PCO-EI, issued September 21, 2006, the cost recovery issues concerning the storage of natural gas identified in Docket No. 060362-EI, were consolidated with Docket No. 060001-EI for purposes of the evidentiary hearing. The Commission was presented with a stipulation by parties on certain aspects of the recovery of Florida Power and Light Company's (FPL) participation in the Bay Gas storage facility and the MoBay storage facility. FPL and the parties presented evidence on the remaining non-stipulated issues. We approved, by bench decision, the stipulation, and continued the meeting until December 8, 2006 to take up our decision concerning the cost recovery of certain aspects of the storage of natural gas.

II. STIPULATED NATURAL GAS COST RECOVERY ISSUES

The parties stipulated that the appropriate avenue for cost recovery of natural gas monthly storage reservation charges, fuel retention, and commodity charges for injection and withdrawal, and monthly insurance charges, all associated with FPL's participation in the Bay Gas storage facility and the MoBay storage facility, is through the fuel clause. Based on the evidence in the record, we agree. The stipulation and our approval of it, however, do not preclude us from auditing and reviewing the actual costs submitted each year during the fuel clause proceedings. We retain jurisdiction to review the costs, the prudence of expenditures, and the prudence of FPL's contract administration.

III. CARRYING COSTS AND BASE GAS COSTS

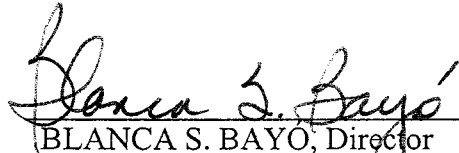
We continued the hearing in this Docket on the remaining issues in order to review briefs and consider our staff's written recommendation on several additional issues regarding appropriate recovery of base gas and carrying costs also associated with FPL's participation in the Bay Gas and MoBay gas storage projects. The order on those issues will be the subject of a separate order.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the appropriate avenue for cost recovery of natural gas monthly storage reservation charges, fuel retention and commodity charges for injection and withdrawal and monthly insurance charges associated with FPL's participation in Bay Gas and MoBay natural gas storage facilities is through the fuel clause. It is further

ORDERED that the Commission retains jurisdiction over the actual costs submitted by FPL annually.

By ORDER of the Florida Public Service Commission this 22nd day of December, 2006.



BLANCA S. BAYO, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

LCB

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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, 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 and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.