

**Marguerite McLean**

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**From:** Ann Bassett [abassett@lawfla.com]

**Sent:** Tuesday, June 30, 2009 3:58 PM

**To:** Filings@psc.state.fl.us

**Subject:** Docket No. 090172-EI

**Attachments:** 2009-06-30, FGT's Final Prehearing Statement.pdf; 2009-06-30, Final FGT Prehearing Statement.doc

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The Docket No. is 090172-EI - Petition to determine need for Florida EnergySecure Pipeline by Florida Power & Light Company

This is being filed on behalf of Florida Gas Transmission Company, LLC.

Total Number of Pages is 9

Florida Gas Transmission Company, LLC's Prehearing Statement  
Also attached is the document in MS Word format for Staff

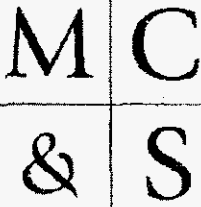
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June 30, 2009

**VIA ELECTRONIC FILING**

Ms. Ann Cole, Commission Clerk  
Office of Commission Clerk  
Room 110, Easley Building  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Re: Docket No. 090172-EI

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Gas Transmission Company, LLC is Florida Gas Transmission Company, LLC's Prehearing Statement in the above referenced docket.

Thank you for your assistance with this filing.

Sincerely yours,



Floyd R. Self

FRS/amb  
Enclosure

cc: Mr. Michael T. Langston  
Parties of Record

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition to determine need for Florida )  
EnergySecure Pipeline by Florida Power & ) Docket No. 090172-EI  
Light Company. ) Dated: June 30, 2009  
\_\_\_\_\_ )

**FLORIDA GAS TRANSMISSION COMPANY, LLC,  
PREHEARING STATEMENT**

Florida Gas Transmission Company, LLC ("FGT"), pursuant to *Order Establishing Procedure*, Order No. PSC-09-0230-PCO-EI, issued April 14, 2009 and *First Order Revising Order Establishing Procedure*, Order No. PSC-09-0337-PCO-EI, issued May 15, 2009 (hereinafter "*Procedural Orders*"), submits the following Prehearing Statement to the Florida Public Service Commission ("Commission") in the above-captioned dockets.

**A. WITNESSES**

<u>WITNESS</u>	<u>SUBJECT MATTER</u>	<u>ISSUES</u>
Michael T. Langston	The FPL pipeline is not in the best interests of the ratepayers and should be denied because: (1) FPL has not demonstrated reasonable natural gas demand to warrant the proposed \$1.6 billion pipeline; (2) there is insufficient evidence regarding the upstream supply and transportation costs; (3) there are better upstream supply and transportation alternatives; (4) the cost recovery methods proposed by FPL are adverse to customers; (5) there are better and more appropriate cost recovery methods that were not considered which if considered do not support the proposed pipeline; and (6) the other public policy considerations lead to adverse consequences for ratepayers and the natural gas transmission market if FPL's proposal is adopted.	ALL ISSUES
Dr. Benjamin Schlesinger	(1) FPL has not shown that the proposed Company E and Florida EnergySecure (FES) system will improve the economics of natural gas transmission within Florida; (2) FPL's justification of the need for the combined Company E/FES system rests on economic	5, 6, 8, 9, 10

assumptions, and fuel supply and transport costs, that are not reasonable for planning purposes; and (3) the proposed Company E/FES system would not provide electricity ratepayers with the most cost-effective source of natural gas supply, transport, and delivery.

**B. EXHIBITS**

<u>EXHIBIT NUMBER</u>	<u>WITNESS</u>	<u>DESCRIPTION</u>
MTL-1	Langston	Map of FGT pipeline system
MTL-2	Langston	Map of FGT system w/Phase VIII expansion
MTL-3	Langston	FGT Expansion in Florida
MTL-4	Langston	FPL Ten Year Site Plan Filings
MTL-5	Langston	FPL Response to FGT Interrogatory No. 53
MTL-6	Langston	FPL Response to Staff Interrogatory No. 23-1
MTL-7	Langston	May 7, 2009 FERC Order on Transco Mobile Bay South Expansion Project
MTL-8	Langston	July 25, 2008 FERC Order on MidContinent Express Expansions
MTL-9	Langston	September 28, 2007 FERC Order on Gulf South Southeast Expansion Project
MTL-10	Langston	December 3, 2008 Tariff Filing for Gulf South Southeast Expansion transportation rates
MTL-11	Langston	Map of Expansion capacity in the Perryville area

MTL-12	Langston	EIA Report, Natural Gas Market Centers: A 2008 Update, April, 2009
MTL-13	Langston	March 18, 2009 FGT Proposal
MTL-14	Langston	Basis Prices Chart June 11, 2009
BSA-1	Schlesinger	C.V. of Benjamin Schlesinger
BSA-2 (Confidential)	Schlesinger	FPL's Natural Gas Price and Basis Forecasts
BSA-3	Schlesinger	Daily Flows through FGT Station 11, August 1 through November 30, 2005
BSA-4	Schlesinger	Transco January 22, 2009 Open Season Announcement for Mobile Bay South II Expansion
BSA-5 (Confidential)	Schlesinger	Combined Company E/FES Proposal versus Company B Proposal, extended to Station 85

### C. BASIC POSITION

FPL's pipeline is not in the best interests of FPL's ratepayers or the State of Florida. FPL has failed to demonstrate the need for its proposed intrastate pipeline, and so it should be denied. FPL has failed to establish that there is sufficient demand to support the construction and expense of the proposed intrastate pipeline, and has similarly failed to demonstrate that the proposed intrastate pipeline is the best economic alternative and in the best interest of FPL's ratepayers. Alternatively, if the Commission were to find that this pipeline should be approved, then the PSC should deny FPL's request to include it in the electric ratebase and instead order that the pipeline be constructed, operated, and financed through a fully separated entity.

FGT reserves the right to further supplement and revise its basic position or any of its individual issue positions based upon FGT's review of FPL's rebuttal testimony which is due to be filed after the date that this prehearing statement is due. FGT in good faith takes a position on each of the issues identified for this proceeding, consistent with the requirements of the orders in this docket. However, until FGT has had an opportunity to review the FPL rebuttal testimony it is premature for FGT to provide detailed summary position statements at this time. FGT intends to provide such detailed statements no later than the prehearing conference.

**D. ISSUES AND POSITIONS**

**ISSUE 1:** Is FPL's forecast of future natural gas pipeline transmission capacity requirements reasonable for planning purposes?

**FGT'S POSITION:** No.

**ISSUE 2:** Do existing transmission pipelines in Florida have sufficient excess capacity to fulfill the forecasted need for transmission capacity?

**FGT'S POSITION:** Yes, following all currently planned expansions.

**ISSUE 3:** Is the proposed Florida EnergySecure Line needed to improve or maintain natural gas delivery reliability and integrity within Florida?

**FGT'S POSITION:** No.

**ISSUE 4:** Does the planned construction and operation of the proposed Florida EnergySecure Line meet government and industry standards for safety?

**FGT'S POSITION:** No.

**ISSUE 5:** Will the proposed Florida EnergySecure Line improve the economics of natural gas transmission within Florida to assure the economic well-being of the public?

**FGT'S POSITION:** No.

**ISSUE 6:** Are the commencement and terminus of FPL's proposed facilities and laterals appropriate to serve the need identified in Issue 1?

**FGT'S POSITION:** No.

**ISSUE 7:** Are FPL's construction cost estimates reasonable for planning purposes?

**FGT'S POSITION:** No.

**ISSUE 8:** Are FPL's economic assumptions reasonable for planning purposes?

**FGT'S POSITION:** No.

**ISSUE 9:** Are the fuel supply and transport costs used by FPL reasonable for planning purposes?

**FGT'S POSITION:** No.

**ISSUE 10:** Will the proposed Florida EnergySecure Line, including its connection with the upstream pipeline, provide the most cost-effective and reliable source of natural gas supply, transport, and delivery?

**FGT'S POSITION:** No.

**ISSUE 11:** Should the costs associated with the proposed Florida EnergySecure Line be included in FPL's rate base?

**FGT'S POSITION:** No.

**ISSUE 12:** Should FPL be required to file a post-construction report that details the final cost of the EnergySecure Line within 90 days of completion?

**FGT'S POSITION:** Yes, consistent with prior Commission practices.

**ISSUE 13:** Should a separate entity be established to own and operate the pipeline?

**FGT'S POSITION:** Yes.

**ISSUE 14:** If FPL owns and operates the Florida EnergySecure Line as proposed, will it be subject to the Commission's jurisdiction as an intrastate pipeline company pursuant to Chapter 368, Florida Statutes?

**FGT'S POSITION:** Yes. The EnergySecure Line may also be subject to Federal Energy Regulatory Commission regulation under Section 311 authority.

**ISSUE 15:** If FPL owns and operates the Florida EnergySecure Line as proposed, will it "... provide transmission access, subject to available capacity, on a basis that is not unreasonably preferential, prejudicial, or unduly discriminatory. . .", as section 368.105(6) requires?

**FGT'S POSITION:** No.

**ISSUE 16:** Based on the resolution of the previous issues, should FPL's petition for determination of need for the EnergySecure Line, a natural gas transmission pipeline as defined in Section 403.9403(16), Florida Statutes be approved?

**FGT'S POSITION:** No.



**E. PENDING MOTIONS**

None at this time.

**F. PENDING CONFIDENTIAL CLAIMS OR REQUESTS**

Notice of Intent to Request Confidential Classification dated June 22, 2009.

Notice of Intent to Request Confidential Classification dated July 1, 2009.

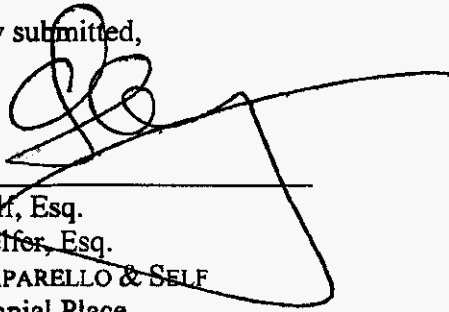
**G. OBJECTIONS TO A WITNESSES QUALIFICATION AS EXPERT**

None at this time.

**H. ANY OTHER REQUIREMENTS THAT CANNOT BE COMPLIED WITH**

None at this time.

Respectfully submitted,



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*Counsel for the Florida Gas Transmission  
Company, LLC*

## CERTIFICATE OF SERVICE

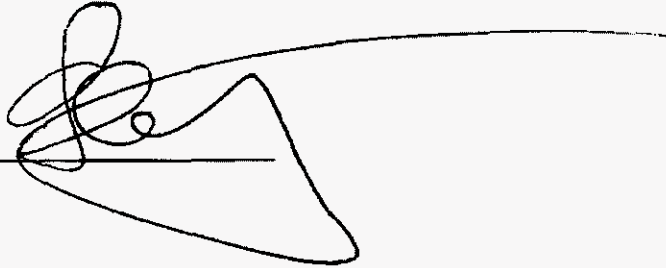
I HEREBY CERTIFY that true and correct copies of the foregoing have been served by Electronic Mail and/or U. S. Mail this 30<sup>th</sup> day of June, 2009 upon the following:

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Gary V. Perko, Esq.  
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Tallahassee, FL 32314

Floyd R. Self

A handwritten signature in black ink, appearing to read 'Floyd R. Self', is written over a horizontal line. The signature is stylized and extends to the right, ending in a long, thin horizontal stroke.