I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Heather C. Stubblefield. My business address is Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as Manager of Project Development in the Energy Marketing and Trading ("EMT") Business Unit.

Q. Please describe your duties and responsibilities in that position.

A. In my current position, I am responsible for evaluating gas transportation alternatives for FPL's system requirements. This includes evaluating proposals from pipeline companies, negotiating terms and conditions, and executing transportation agreements that are in the best interest of FPL's customers.

Q. Please describe your educational background and professional experience.

A. I graduated from Auburn University with a Bachelor of Arts degree in Business Administration in 1986. I joined Sonat Corporation (now Kinder Morgan, Inc.) in 1988, where I held various positions in Human Resources, Internal Auditing and the Sonat Marketing Company. In 2003, I joined FPL Group Resources as the Director of Marketing for liquefied natural gas ("LNG") initiatives. In 2005, I joined the EMT Business Unit of FPL.

Q. Are you sponsoring any exhibits in this case?

A. Yes. I am sponsoring the following exhibits attached to my direct testimony:

- HCS-1 FPL's Request for Proposals
- HCS-2 Executed Precedent Agreement with Sabal Trail Transmission, LLC (Confidential)
- HCS-3 Executed Precedent Agreement with Florida Southeast Connection, LLC (Confidential)

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present and explain the natural gas transportation Request for Proposals ("RFP") issued by FPL to meet its system gas requirements beginning in May 2017, the process FPL used to evaluate the proposals submitted in response to the RFP, and the proposals that were selected from that evaluation process as most cost-effectively meeting FPL's natural gas transportation requirements.

Q. Please summarize your testimony.

A. FPL issued an RFP for firm gas transportation on December 19, 2012. The purpose of the RFP was to determine the best transportation alternative to meet the needs of FPL's future system requirements beginning in 2017 and which provided maximum benefits to FPL's customers. FPL requested that the respondents submit proposals based on a firm gas transportation commitment for 400,000 million Btu per day ("MMBtu/d") beginning May 1, 2017, increasing to 600,000 MMBtu/d on May 1, 2020. FPL also requested that respondents accommodate FPL's potential need for additional quantities ("Optional Quantities") of up to 400,000 MMBtu/d in the period beyond 2020. The RFP sought proposals for one or both of two distinct projects: the Upstream Pipeline

Project (hereafter referred to as the "Northern Pipeline Project") which will originate in Alabama and extend to Central Florida and the Downstream Pipeline Project (hereafter referred to as the "Southern Pipeline Project") which will originate at the terminus of the Northern Pipeline Project and terminate at FPL's Martin Clean Energy Center in Martin County, Florida ("Martin plant"). The division of the pipeline into these projects was based on feedback received from a number of pipeline companies during the development of the RFP. These companies were interested in more flexibility in meeting Florida's, as well as FPL's, future gas transportation requirements. FPL developed and publicized an RFP website that provided information about the RFP and allowed interested parties to access the RFP documents. Throughout the process, FPL responded to numerous inquiries via the website, email, phone, and in person to ensure interested parties were able to ask questions and get clarifications on the RFP prior to the due date of April 3, 2013 ("Proposal Due Date").

FPL received five (5) Northern Pipeline Project proposals and one (1) Southern Pipeline Project proposal. In addition, FPL considered three (3) self-build alternatives for the Southern Pipeline Project. Of the proposals received, only one (1) Northern Pipeline Project proposal and one (1) Southern Pipeline Project proposal, both from the same entity, had significant deficiencies and failed to meet the Minimum Requirements for evaluation including the requirement to provide a binding proposal. FPL provided this entity the opportunity to provide conforming proposals, but the entity elected not to make the necessary modifications required for FPL to consider these proposals in the evaluation process. FPL's evaluation of the remaining four (4) Northern Pipeline Project proposals and the three (3) FPL self-build alternatives consisted of an economic evaluation, performed by FPL's Resource Assessment & Planning Department ("RAP"), and a non-economic evaluation. The economic analysis was performed on every potential combination of projects by taking each Northern Pipeline Project and matching it with each Southern Pipeline Project (each combination is referred to as a "Combined Project"). In total, twelve (12) Combined Projects were evaluated. The non-economic evaluation was based on a comparative analysis of each individual project with respect to a number of attributes that could not be measured in the economic analysis. Based on the evaluation process, FPL selected the Combined Project that provided the highest overall value as the winning project.

Once the winning Combined Project was selected, FPL worked with the winning project sponsors to execute a Precedent Agreement for each pipeline project. FPL was able to enter into a mutually agreeable Precedent Agreement, under similar terms and conditions as the draft Precedent Agreement provided in the RFP, with Sabal Trail Transmission, LLC ("Sabal Trail") for the Northern Pipeline Project. The FPL Hybrid Alternative was determined to be the most cost-effective alternative for the Southern Pipeline Project. FPL executed a Precedent Agreement with an affiliate, Florida Southeast Connection, LLC ("FSC"), on substantially the same terms as the Sabal Trail Precedent

Agreement. The executed Precedent Agreements are attached to my testimony as Exhibits HCS-2 and HCS-3.

II. DESCRIPTION OF FPL'S RFP

Q. Please describe the purpose of FPL's RFP.

A. FPL issued the RFP for the purpose of identifying and negotiating a firm gas transportation contract to meet FPL's increased gas transportation needs beginning in 2017 and to improve gas supply and transportation diversity. As discussed by FPL witness Forrest, Florida's growing reliance on natural gas to meet the state's electric generation needs supports the investment in new gas infrastructure to expand access to competitive and diverse supplies and services and to enhance the reliability of future gas deliveries into the state. Therefore, the RFP expressed FPL's strong preference for proposals that provided new natural gas infrastructure that was geographically diverse from the two major pipelines currently serving peninsular Florida.

Q. Why did FPL elect to separate the pipeline into two distinct pipeline projects?

A. The RFP requested proposals for one or both of two distinct projects to encourage participation and provide respondents more flexibility in meeting Florida's, as well as FPL's, future gas transportation requirements. These projects were identified in the RFP as the Upstream and Downstream Pipeline Projects (a map is provided in Section I.B. of Exhibit HCS-1), but FPL decided for clarity to refer to them respectively as the Northern Pipeline Project and Southern Pipeline Project:

Northern Pipeline Project - The Northern Pipeline Project will deliver reliable gas supplies into the heart of Florida's growing natural gas market. The pipeline will originate at Transcontinental Gas Pipeline Company, LLC ("Transco") Station 85 in Choctaw County, Alabama where it will interconnect with Transco, Midcontinent Express Pipeline, LLC, and Gulf South Pipeline Company, LP. The pipeline will terminate in Osceola County, Florida. FPL requested that proposals for the Northern Pipeline Project include interconnections with Gulfstream Natural Gas System, LLC ("Gulfstream") and Florida Gas Transmission Company, LLC ("FGT") at or near the termination point of the Northern Pipeline Project in Osceola County to create a natural gas supply pooling point and market hub ("Central Florida Hub") that will provide additional gas supply reliability and diversity to the growing Florida market.

Southern Pipeline Project – The Southern Pipeline Project will originate at the terminus of the Northern Pipeline Project in Osceola County, Florida and will terminate at FPL's Martin plant. The pipeline will provide for deliveries to FPL's Martin plant as well as into FPL's pipeline lateral which serves FPL's Riviera Beach Next Generation Clean Energy Center in Palm Beach County, Florida.

Q. Why did FPL require the Northern Pipeline Project to include a Central Florida Hub?

A. As discussed in more detail in the testimony of FPL witness Sexton, the Central Florida Hub will substantially enhance the reliability of Florida's natural gas infrastructure. Interconnecting the Northern Pipeline Project, the Southern Pipeline Project, FGT and Gulfstream, will facilitate the flow of gas among these pipelines in the event of a disruption or loss of any of these pipelines upstream of the Central Florida Hub (see map provided in Section I.B. of Exhibit HCS-1).

Q. What are the gas transportation quantities that FPL required in the RFP?

A. FPL requested a firm gas transportation quantity of 400,000 MMBtu/d beginning May 1, 2017 increasing to 600,000 MMBtu/d beginning May 1, 2020 based on FPL's analyses of its future gas transportation requirements.

Q. Please explain the gas transportation pricing requirements of the RFP.

A. The RFP allowed respondents to submit proposals with either a fixed demand charge ("Fixed Price Proposal") or an adjustable demand charge ("Alternative Price Proposal"). FPL expressed a strong preference for a Fixed Price Proposal because this alternative provides pricing security and protects customers from potential cost overruns. Because pipeline developers have significant cost exposure during the period between the execution of the Precedent Agreement and the in-service date of the project, respondents could also elect to submit an Alternative Pricing Proposal that allowed the respondent to adjust the demand charge based on the movement of various pipeline cost-related indices selected by the respondent. An Alternative Price Proposal could include one or more published indices that would allow the respondent to adjust the demand charge based on the performance of these indices during the period prior to the in-service date of the pipeline. The demand charge then would be fixed for the term of the gas transportation agreement. In addition, respondents providing an Alternative Price Proposal were required to provide a cap on the demand charge that would limit FPL's exposure to variances in the published indices.

Q. How does the RFP address FPL's gas transportation requirements beyond 2020?

A. To provide for future generation expansions beyond 2020, FPL requested the ability to secure incremental Optional Quantities beyond the initial 600,000 MMBtu/d firm commitment. FPL requested the right, but not the obligation, to elect an initial Optional Quantity of up to 200,000 MMBtu/d on or before January 1, 2020 and a second Optional Quantity of up to 200,000 MMBtu/d on or before January 1, 2024. For each Optional Quantity, the requested pipeline in-service date must be at least forty-eight (48) months but no later than sixty (60) months after the date FPL makes the election. Because FPL is not obligated to take these quantities, FPL will remain free to evaluate all available alternatives to ensure FPL selects the best overall transportation alternative for FPL's incremental gas transportation requirements.

Q. What were the Minimum Requirements provided in the RFP?

A. The RFP provided FPL's requirements for submitting proposals to ensure all respondents provided the information necessary for the evaluation process

("Minimum Requirements"). These Minimum Requirements included a Proposal Due Date of April 3, 2013, and a requirement that each respondent complete and submit the fifteen forms included in the RFP. In addition, respondents were required to adhere to the pricing, quantity, and project specifications included in the RFP which included providing firm pricing (in the form of a Fixed Price Proposal or an Alternative Price Proposal with a cap). Finally, each respondent was required to meet the completion security obligations provided in the Precedent Agreements and to hold the proposal open and valid for one hundred and twenty (120) days from the Proposal Due Date. The RFP stated that FPL retained the right to reject a proposal that did not meet these Minimum Requirements. A comprehensive description of the Minimum Requirements can be found in Section III.E. of the RFP provided as Exhibit HCS-1.

Q. Why did FPL elect to include draft Precedent Agreements with the RFP?

A. One of the most time consuming aspects of completing a transaction for gas transportation capacity is the negotiation and execution of a Precedent Agreement. While parties may agree on the basic commercial terms of a transaction (e.g. price and quantity), they often fail to reach agreement when they begin to document the more complex terms of the transaction in the form of a Precedent Agreement. In order to minimize any misunderstanding about FPL's expectations as to the terms and conditions FPL desired in a Precedent Agreement, FPL provided a draft Precedent Agreement for both the Northern Pipeline Project and the Southern Pipeline Project for respondents to review prior to electing whether or not to participate in the RFP process. The draft Precedent Agreement provided very specific terms and conditions intended to protect FPL and its customers from exposure due to project delays. Parties submitting proposals were required to review the draft Precedent Agreements and document any proposed changes to the agreements in redline format. FPL reviewed all revisions submitted and considered them as part of the non-economic evaluation process. These redlined agreements served as the basis for final negotiations which accelerated the process of completing and executing agreements once the winning proposals were selected.

Q. Did FPL review the RFP with the FPSC prior to issuing the RFP?

A. The RFP was reviewed with FPSC Staff at a publicly noticed meeting in Tallahassee on November 26, 2012. The meeting was attended by potential respondents, market participants and representatives of customer groups, including the Office of Public Counsel. The attendees were provided the opportunity to ask questions and provide feedback to FPL on the RFP. At the conclusion of the meeting, FPL was informed that FPSC Staff had no objection to FPL releasing the RFP.

Q. How did FPL publicize the RFP?

A. FPL issued the RFP on December 19, 2012. Over a two-week period between December 19, 2012 and January 3, 2013, FPL published advertisements announcing the RFP on three separate occasions in *Platts Gas Daily* which is one of the most widely distributed natural gas industry publications. In addition, FPL issued a press release to announce the RFP. The press release included information on how to access the RFP website. To ensure that those parties who had previously expressed an interest in the RFP were notified, emails with the FPL press release and RFP website link were sent directly to those companies. Over one hundred and seventy (170) individuals from more than one hundred and twenty (120) companies, including ten (10) major pipeline companies, accessed the RFP website and downloaded the RFP documents.

Q. Did FPL hold a workshop to respond to potential questions on the RFP?

A. Yes. The RFP website posted a notice that FPL would host an RFP Pre-Proposal Workshop at the Hilton Garden Inn in Palm Beach Gardens, Florida on January 16, 2013 from 10:00 am until Noon. Seventy-five (75) people representing over forty (40) companies attended the workshop. FPL began the workshop with a brief presentation that described the major points and requirements of the RFP before opening the meeting for questions. FPL responded to numerous questions from the nine (9) pipeline companies and others in attendance. Once FPL had responded to all questions, the workshop was concluded.

Q. Did FPL provide additional opportunities for interested parties to ask questions or seek clarification on the RFP?

A. Yes. In addition to the workshop, interested parties were provided the option of submitting questions via an email address posted on the RFP website. FPL responded to these questions by posting the questions and FPL's responses on the RFP website for the benefit of all interested parties.

Q. Were interested parties allowed to contact FPL directly if they had questions on the RFP?

A. Yes. Initially, all interested parties were directed to use the RFP email link on the website to submit questions to FPL. However, effective February 1, 2013, FPL posted notice on the website that interested parties could contact FPL directly with questions in the event they had proposal-specific questions they did not want published on the website due to the commercially sensitive nature of the question. That notice prompted numerous discussions, by phone or in person, between FPL and a number of parties, including most of the major southeast pipeline companies.

Q. Please explain the role of FPL's outside consultant in the RFP process.

A. FPL engaged Tim Sexton of Gas Supply Consulting, Inc. to assist in the preparation of the RFP and the evaluation of proposals. Mr. Sexton worked collaboratively with FPL during the evaluation process as FPL performed the non-economic and economic evaluation of each proposal. Mr. Sexton is filing testimony which addresses his involvement in the RFP process.

Q. Please describe the FPL team that was involved in the RFP process.

A. EMT was the lead in the RFP development and evaluation process with support from RAP. No one from the commercial team responsible for developing the FPL self-build alternatives participated in the development of the RFP or in the evaluation process.

III. RFP EVALUATION PROCESS

Q. Please summarize the proposals received.

A. FPL received six (6) proposals from five (5) entities including five (5) Northern Pipeline Project proposals and one (1) Southern Pipeline Project proposal. Two of the entities submitting Northern Pipeline Project proposals elected to include more than one pricing and/or quantity scenario for consideration. Several of the proposals were submitted by entities comprised of more than one pipeline company and/or included a lease arrangement on an existing pipeline. This resulted in a total of eight (8) major pipeline companies participating, either directly or indirectly through a lease agreement, in the RFP. These proposals represent involvement by all the major pipeline companies currently operating in the Southeast. In addition, FPL considered three self-build alternatives for the Southern Pipeline Project.

Q. Did all of the proposals meet FPL's Minimum Requirements as outlined in the RFP?

A. No. After an initial review, it was determined that two entities had submitted proposals with minor deficiencies related to the security obligations. These entities were contacted and agreed to modify their proposals to meet the security requirements. In addition, these entities had each submitted at least one scenario which did not meet the pricing and/or quantity requirements of the RFP. These entities were notified and elected not to conform these scenarios since they had also submitted compliant scenarios for consideration.

FPL also received a proposal for the Northern Pipeline Project and a proposal for the Southern Pipeline Project, both submitted by the same entity, which included significant deficiencies. These proposals included non-firm, indicative pricing, were non-binding, and were not submitted with the appropriate bid bond as required by the RFP. FPL contacted that entity in an effort to reconcile the deficiencies in the proposals and qualify them for evaluation. The entity subsequently confirmed that it was not willing to address the deficiencies. Therefore, these proposals were excluded from consideration.

Q. Was FPL satisfied with the quality of the compliant proposals that were received?

A. Yes. FPL was impressed with the tremendous effort that was made by each of the respondents to meet FPL's future gas transportation needs. The proposals were well organized and included the specific and very detailed information requested by FPL in the RFP. The quality of these proposals made it very easy for FPL to complete the evaluation process, and each of the respondents was extremely helpful and responsive when contacted by FPL throughout the evaluation process.

Q. Please describe the Northern Pipeline Project proposals that FPL evaluated.

A. All of the proposals included new, greenfield pipelines for all or a majority of the route. Several of the proposals included a lease or some other arrangement for use of existing facilities outside the State of Florida. FPL received several Fixed Price Proposals and a number of Alternative Price Proposals representing a wide range of potential transportation costs.

Q. Please describe the Southern Pipeline Project proposals that FPL evaluated.

A. FPL provided three (3) pipeline design alternatives for the Southern Pipeline Project. These alternatives consisted of (i) a project consisting entirely of 30-inch pipeline ("FPL 30-Inch Alternative"), (ii) a hybrid consisting of both 30-inch and 36-inch pipeline ("FPL Hybrid Alternative"), and (iii) a project consisting entirely of 36-inch pipeline alternative ("FPL 36-Inch Alternative"). The pricing for all of the FPL alternatives was on a Fixed Price basis for the optional quantities, as well as the initial quantities. No other proposals for either the Northern Pipeline or Southern Pipeline Projects contained this valuable feature.

Q. How did FPL begin the evaluation process?

A. Once FPL completed the review of the Minimum Requirements, FPL began to review the proposals, including the FPL self-build alternatives, to determine if there were any questions or clarifications that needed to be addressed prior to FPL beginning the evaluation process. Based on this initial review, FPL prepared a written list of questions for each respondent. Each respondent answered the questions in writing, and, if additional questions arose or further clarifications were necessary, FPL followed up by telephone or email.

Q. What were the main components of FPL's evaluation process?

A. The evaluation of each proposal and the FPL self-build alternatives consisted of an economic evaluation and a non-economic evaluation. As presented in the testimony of FPL witness Enjamio, the economic evaluation consisted of forty

(40) year cumulative present value revenue requirements ("CPVRR") analysis based on the pricing of each proposal. For Fixed Price Proposals, the fixed demand charge was used in the evaluation. For Alternative Price Proposals, FPL analyzed the proposed indices to determine the "most likely price" based on the past performance of each index. If it was determined that the "most likely price" would exceed the price cap, the price cap was determined to be the "most likely price." The final demand charge used in the evaluation for the Alternative Price Proposals was then calculated based on averaging (i) the price provided (ii) the "most likely price," and (iii) the price cap. For both the Fixed Price Proposals and the Alternative Price Proposals, FPL used the estimates provided by the respondents for the variable transportation costs and fuel.

Q. What was the process for preparing the cost information for the economic evaluation?

A. The economic evaluation was based on modeling that determines the CPVRR for FPL's overall power-supply system with the various Combined Projects. To model the system, both the Northern Pipeline and Southern Pipeline Projects must be included to simulate system performance (i.e., the receipt of the gas at Station 85 via the Northern Pipeline Project and the delivery of the gas via the Southern Pipeline Project to FPL's Martin plant). Therefore, FPL prepared the economic data by matching each of the four (4) Northern Pipeline Projects (designated by a number from one (1) to four (4)) with each of the three (3) Southern Pipeline Projects (designated as Ai, Aii, and Aiii) to create the total of twelve (12) Combined Projects.

Q. Was RAP provided the actual company names associated with each coded Combined Project?

A. No. As explained by FPL witness Enjamio, RAP was neither provided nor had access to the company names of the respondents, including the FPL self-build alternatives, during the initial economic evaluation process.

Q. Please explain how FPL conducted the non-economic analysis.

A. The non-economic analysis was based on a number of factors set forth in the RFP (Section IV.C. of Exhibit HSC-1). The most important non-economic factor highlighted by FPL was the strong preference for new, independently routed onshore pipeline infrastructure. This preference was based on the reliability advantages described by FPL witness Forrest, as well as the potential to increase competition. FPL worked with FPL witness Sexton to develop a matrix that outlined the potential non-economic benefits and assigned each benefit a relative importance of "High" or "Low" based on FPL's assessment of the potential impact to reliability, security and price. Each proposal was then evaluated against the matrix and a check was given to each benefit which was provided in the proposal. For both the Northern Pipeline Project and the Southern Pipeline Project, all projects either provided or adequately addressed the majority of the benefits with little distinction among the projects.

Q. Please explain how the non-economic analysis was used in the overall evaluation of each proposal.

A. The purpose of the non-economic evaluation was to determine if there were significant non-economic differences between the proposals. If there had been significant differences, this non-economic analysis could have been used to distinguish between two or more projects with extremely close economic evaluations. As it turned out, however, all of the proposals FPL received would substantially meet FPL's objectives including the addition of an independently routed third pipeline that would improve the reliability and diversity of gas transportation into Florida. Therefore, the relatively minor differences noted during the non-economic evaluation were not significant enough to overcome the substantial differences resulting from the economic evaluation, and the economic results dominated the decision process.

Q. Did FPL meet with any of the bidders to discuss their proposals?

A. Yes. In fact, FPL met with all of the bidders who met the Minimum Requirements of the RFP. These meetings were conducted midway through the evaluation process to allow FPL to follow-up on outstanding questions and to give each bidder the opportunity to present the benefits of their project. In addition, FPL informed each bidder that this meeting would provide the opportunity for the bidder to improve the price or terms of the proposal prior to FPL's final evaluation.

Q. Did any bidders provide revised proposals?

A. Yes. Several bidders elected to improve their original price, contractual terms or both. These modifications were included in the final evaluation process.

Q. What were the results of the evaluation process?

A. As discussed in the testimony of FPL witness Enjamio, Combined Project 1 which included the Sabal Trail project, submitted by Spectra Energy Corp., as the Northern Pipeline Project and the FPL Hybrid Alternative as the Southern Pipeline Project provided savings of $580 million to $1,356 million CPVRR. Because the economic evaluation resulted in such a large cost saving for Combined Project 1, the minor differences in the non-economic benefits among the proposals did not impact the final selection.

Q. How did FPL determine that the FPL Hybrid Alternative is priced at "market," considering that there was no other Southern Pipeline Project proposal that met the Minimum Requirements of the RFP?

A. Although the only Southern Pipeline Project proposal received from a third party did not meet the Minimum Requirements of the RFP, FPL elected to run the CPVRR analysis on the non-firm, indicative pricing of that proposal for comparison against the FPL self-build alternatives. As presented in the testimony of FPL witness Enjamio, all three (3) FPL self-build alternatives provided savings of $69 million to $105 million CPVRR when compared to the indicative pricing under this non-compliant proposal. Based on my experience in the industry, had the respondent that submitted this non-compliant proposal been willing to quote prices that were firm or tied to observable indices as required by the RFP, those prices would have been at least as high as the non-firm, indicative prices and likely would have been higher. In addition, FPL witness Sexton has determined that the cost per mile to FPL for the FPL Hybrid Alternative is approximately the same as the cost per mile for the most favorable Northern Pipeline Project proposal. Mr. Sexton concludes that, because of the robust competition for the Northern Pipeline Project, this comparison provides additional assurance that the rates for the FPL Hybrid Alternative are reasonable. Finally, I note that the non-compliant proposal contained significant modifications to the draft Precedent Agreement which were unacceptable and would have resulted in significant cost exposure to FPL. The FPL Hybrid Alternative proposal accepted the majority of the terms and conditions included in the RFP's draft Precedent Agreement.

IV. WINNING PROJECTS

Q. Please describe the winning Northern Pipeline Project.

A. Sabal Trail was selected as the winning Northern Pipeline Project. Spectra Energy Corp. submitted the Sabal Trail proposal and negotiated the Precedent Agreement with FPL. As discussed by FPL witness Forrest, after the Precedent Agreement negotiations were completed, Sabal Trail became a joint venture of subsidiaries of Spectra Energy Corp. and NextEra Energy. Sabal Trail will be an interstate pipeline regulated by the Federal Energy Regulatory Commission ("FERC"). The pipeline consists of a capacity lease on Transco from Transco's Station 85 near Butler, Alabama to Transco's Station 105 near Hillabee, Alabama and four hundred and sixty-five (465) miles of greenfield pipeline from Transco's Station 105 to the interconnection with the FPL Hybrid Alternative in Osceola County, Florida. The capacity lease is fully integrated into the Sabal Trail pipeline and will allow FPL to access the receipt points requested in the RFP. In addition, as a result of the Transco lease, FPL will have the ability to access additional supply sources delivered into Transco's Zone 4 (Mississippi, Alabama, and Georgia) from the Marcellus Shale and other growing production areas. The Sabal Trail project is expandable to over one (1) billion cubic feet per day ("Bcf/d") of pipeline capacity to serve markets in Alabama, Georgia and Florida.

Q. Has FPL executed a firm transportation agreement with Sabal Trail?

A. Yes. FPL has executed a Precedent Agreement (provided as Exhibit HCS-2) with Sabal Trail which outlines the terms of the firm transportation transaction for 400,000 MMBtu/d beginning on May 1, 2017 and increasing to 600,000 MMBtu/d beginning on May 1, 2020. The Precedent Agreement includes provisions to ensure that FPL and its customers are compensated if the project is delayed due to events that are within Sabal Trail's control and provides FPL the right to terminate for extended delays. In addition, the Precedent Agreement provides FPL the option to purchase optional quantities of gas transportation capacity based on an established formula.

Q. Please describe the winning Southern Pipeline Project.

A. The FPL Hybrid Alternative, now referred to as the FSC project, will be a FERC-regulated interstate pipeline and will consist of seventy-seven (77) miles of 36-inch pipeline and forty-nine (49) miles of 30-inch pipeline. As discussed in the testimony of FPL witness Forrest, it will be owned and operated by FSC, an affiliate of FPL. The pipeline originates at the terminus of Sabal Trail in Osceola County, Florida and terminates at FPL's Martin plant. The pipeline is expandable to over one (1) Bcf/d of delivery capability to serve FPL and any other interested shippers.

Q. Has FPL executed a firm transportation agreement with FSC?

A. Yes. FPL has executed a Precedent Agreement (provided as Exhibit HCS-3) on substantially the same terms and conditions as Sabal Trail.

Q. Is there a defined process for other customers interested in one or both of these projects to secure gas transportation capacity?

A. Yes. FERC jurisdictional pipelines are required to conduct an open season to determine if there are other parties interested in securing gas transportation capacity. The open season requirement applies to any new pipeline project or any major expansion of an existing pipeline. The open season must be conducted before the pipeline files its FERC certificate application. Open seasons are usually publicly announced via industry publications such as *Platt's Gas Daily* and posted on the pipeline's website. Both Sabal Trail and FSC are expected to conduct open seasons in the period between August 2013 and October 2013. After being placed in service, FERC open access pipelines continue to provide services as requested by customers either through direct negotiations or through additional open seasons associated with future expansions.

Q. Does this conclude your testimony?

A. Yes.