BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| In re: Nuclear cost recovery clause. | DOCKET NO. 20180009-EI  ORDER NO. PSC-2018-0490-FOF-EI  ISSUED: October 2, 2018 |

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman

JULIE I. BROWN

DONALD J. POLMANN

GARY F. CLARK

ANDREW GILES FAY

APPEARANCES:

MATTHEW BERNIER, ESQUIRE, 106 East College Avenue, Suite 800, Tallahassee, Florida 32301, and DIANNE M. TRIPLETT, ESQUIRE, 299 First Avenue North, St. Petersburg, Florida 33701

On behalf of Duke Energy Florida, LLC (DEF).

J.R. KELLY, CHARLES J. REHWINKEL, and PATRICIA A. CHRISTENSEN, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399

On behalf of the Citizens of the State of Florida (OPC).

JON C. MOYLE, JR., and KAREN PUTNAL, ESQUIRES, Moyle Law Firm, P.A., 118 North Gadsden Street, Tallahassee, Florida, 32301

On behalf of Florida Industrial Power Users Group (FIPUG).

JAMES W. BREW and LAURA A. WYNN, ESQUIRES, Stone Mattheis Xenopoulos & Brew, P.C., 1025 Thomas Jefferson Street, Northwest, Eighth Floor, West Tower, Washington, District of Columbia 20007

On behalf of White Springs Agricultural Chemicals Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate) (Excused).

GEORGE CAVROS, ESQUIRE, 120 East Oakland Park Boulevard, Ste. 105, Fort Lauderdale, Florida 33334

On behalf of Southern Alliance for Clean Energy (SACE) (Excused).

KYESHA R. MAPP and MARGO A. DUVAL, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850

On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Advisor to the Florida Public Service Commission.

KEITH HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Florida Public Service Commission General Counsel.

FINAL ORDER APPROVING NUCLEAR COST RECOVERY AMOUNTS

FOR DUKE ENERGY FLORIDA, LLC

BY THE COMMISSION:

**BACKGROUND**

In 2006, the Florida Legislature adopted legislation encouraging the development of nuclear energy in the state. Section 366.93, Florida Statutes (F.S.), directed the Commission to adopt rules providing for alternate cost recovery mechanisms that will encourage investor-owned electric utilities to invest in nuclear power plants. The Commission adopted Rule 25-6.0423, Florida Administrative Code, which provides for an annual proceeding to consider investor-owned utilities’ requests for cost recovery.

DEF petitioned the Commission for recovery of costs through the Nuclear Cost Recovery Clause (NCRC) on March 1, 2018, and May 1, 2018.

We have jurisdiction over these matters pursuant to Section 366.93, F.S., as well as Sections 366.04, 366.041, 366.05, 366.06, and 366.07, F.S.

**DECISION**

As part of our annual NCRC docket, an administrative hearing was held on August 7, 2018. DEF submitted testimony and exhibits in support of its petitions. Prior to the hearing, the parties reached an agreement concerning all five issues identified for resolution at hearing. These five issues were presented to this Commission as proposed stipulations. At the hearing, we accepted and approved the stipulations on four issues and addressed the fifth issue separately.

I. 2017 Jurisdictional Amounts

We accept and approve the parties’ stipulation as provided below and hereby find that the appropriate jurisdictional amounts for DEF’s actual 2017 prudently incurred costs for the Crystal River Unit 3 Uprate Project are as follows:

The Wind-Down & Exit Costs (Jurisdictional, net of joint owners) are $24,137.

The Carrying Costs are $10,077,482.

The over-recovery of $188,006 shall be included in setting the allowed 2019 NCRC recovery.

II. 2018 Jurisdictional Amounts

We accept and approve the parties’ stipulation as provided below and hereby find that the appropriate jurisdictional amounts as reasonably estimated 2018 exit and wind-down costs and carrying costs for the Crystal River Unit 3 Uprate Project are as follows:

The Wind-Down & Exit Costs (Jurisdictional, net of joint owners) are $26,432.

The Carrying Costs are $5,163,349.

The over-recovery of $933,647 shall be included in setting the allowed 2019 NCRC recovery.

III. 2019 Jurisdictional Amounts

We accept and approve the parties’ stipulation as provided below and hereby find that the appropriate jurisdictional amounts as reasonably projected 2019 exit and wind-down costs and carrying costs for the Crystal River Unit 3 Uprate Project are as follows:

The Wind-Down & Exit Costs (Jurisdictional, net of joint owners) are $0.

The Carrying Costs are $1,614,769.

The amortization of the 2013 Regulatory Asset is $43,159,168.

IV. 2019 Capacity Cost Recovery Clause Factor

We accept and approve the parties’ stipulation that the total jurisdictional amount for the Crystal River Unit 3 Uprate Project to be included in establishing DEF’s 2019 Capacity Cost Recovery Clause Factor shall be $43,858,854.

V. Need for DEF’s Participation in 2019 NCRC Docket

We find that there is not a need, pursuant to Paragraph 9 of the 2017 Second Revised and Restated Stipulation and Settlement Agreement, approved in Order No. PSC-2017-0451-AS-EU, for DEF to participate in the 2019 NCRC Docket. At the request of the parties, we are attaching the “Stipulated Transition Statement regarding Crystal River 3 (CR3) – Docket Number 20180009” to this Order as Attachment A.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations, findings, and rulings set forth in the body of this Order are hereby approved. It is further

ORDERED that Duke Energy Florida, LLC, shall abide by the stipulations, findings, and rulings herein. It is further

ORDERED that Duke Energy Florida, LLC, is hereby authorized to include the estimated nuclear cost recovery amount of $43,858,854 when requesting its 2019 Capacity Cost Recovery Clause Factor.

By ORDER of the Florida Public Service Commission this 2nd day of October, 2018.

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|  | /s/ Carlotta S. Stauffer |
|  | CARLOTTA S. STAUFFER  Commission Clerk |

Florida Public Service Commission

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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MAD

COMMISSIONER POLMANN DISSENTS WITH OPINION:

Commissioner Polmann dissents with opinion from the Commission’s decision in Section V of the Decision.

I do not think that the question of DEF’s participation in the 2019 NCRC Docket needed to be taken up. I disagree with the majority to attach the (4-party) Stipulated Transition Statement regarding Crystal River 3 to the Commission’s Final Order.

Therefore, I respectfully dissent on Section V of the Decision.

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 Office of Commission Clerk, 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 Office of Commission Clerk, 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.













