



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: June 3, 1997

TO: Vicki Gordon Kaufman, Esquire - Florida Industrial Power Users Group
 James McGee, Esquire - Florida Power Corporation
 John McWhirter, Esquire - Florida Industrial Power Users Group
 John Roger Howe, Esquire - Office of Public Counsel
 Louis Putney, Esquire - Florida Consumer Action Network
 Michael Gross, Esquire - Florida Attorney General
 Michael Twomey, Esquire - Lake Dora Homeowners Association, Inc.

FROM: Robert V. Elias, Chief of Electric & Gas, Division of Legal Services

RUE

RE: Docket No. 970261-EI - Review of nuclear outage at Florida Power Corporation's Crystal River Unit 3.

Via Facsimile

The following is a list of staff's preliminary issues in this docket:

1. Was Florida Power Corporation's decision to shut-down Crystal River Unit No. 3 on September 2, 1996 prudent?
2. Did Florida Power Corporation's efforts to reduce costs, including downsizing and reduced reliance on contracted Crystal River Unit No. 3 engineering support, inappropriately reduce its attention to safety?
3. Was Florida Power Corporation prudent in its approach of using engineering interim solutions through modifications to the Emergency Diesel Generator loading instead of implementing more permanent solutions?
4. Did Florida Power Corporation respond prudently to information affecting the operation of Crystal River Unit No. 3 including, but not limited to, employee concerns, modifications made at other Babcock & Wilcox plants, Nuclear Regulatory Commission requirements and the results of the company's own problem corrections?
5. Should the modifications being performed during the current extended outage have been accomplished during previous planned outages?
6. Did Florida Power Corporation display a pattern of management decisions at Crystal River Unit No. 3 that resulted in the current extended outage?

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FPSC-RECORDS/REPORTING

7. Based on the resolution of the previous issues, what amount of estimated replacement fuel costs, if any, should be disallowed for recovery by Florida Power Corporation?

Staff requests that each party address these issues in its Prehearing Statement. Prehearing Statements are due to be filed no later than the close of business on Monday, June 9, 1997. Of course, parties can, if they choose, raise additional issues. If necessary, we may schedule a meeting to attempt to reach consensus on an issues list before the prehearing.

RVE/fs

cc: Roberta Bass
Vicki Johnson
Leslie Paugh
Andrew Maurey
Carl Vinson
Kay Flynn