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Attachments: fuel.doc



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(See attached file: fuel.doc) Attached for filing is the Attorney General's brief in docket 080001

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)
Cost Recovery Clause with)
Generating Performance Incentive)
Factor)

Docket No. 080001-EI

FILED: November 25, 2008

ATTORNEY GENERAL'S BRIEF ON ISSUE 13C

It is undisputed that FPL has the burden of proof in showing that they acted reasonably in this matter. Unfortunately, FPL presented uncorroborated hearsay which this Commission may not rely upon in reaching its decision. See *Juste v. Department of Health and Rehabilitative Services*, 520 So. 2d 69 (Fla. 1st DCA 1988) (Uncorroborated hearsay cannot support the ultimate finding.) and *Strickland v. Florida A&M University*, 799 So. 2d 276 (Fla. 1st DCA 2001)(University could not base its conclusions on hearsay evidence alone.).

In this case, FPL's main expert on this issue, T.O. Jones, repeatedly made statements about the Augmented Investigation Team's (AIT) findings related to FPL's compliance with the NRC's guidelines,

An Augmented Inspection Team is a team of inspectors that's dispatched by the NRC regional headquarters that consists of a number of inspectors in a number of areas with a charter, and their charter was to review the event, our response to the event, to examine and inspect our programs, our processes, our personnel, review the physical security plan, and to verify that we were in compliance with our processes, programs, and procedures, and that not only were we in compliance with those processes, programs, and procedures, but they were in full compliance with those as required by the Nuclear Regulatory Commission.

Jones Testimony, Record page 565-566. (Record page hereinafter referred to as "R".) (Emphasis supplied) See also R1266-1267. This is uncorroborated hearsay and is contradicted by the report of the AIT. See Exhibit 54, page 7, last paragraph, Bates No. FCR -08-9395, Confidential

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Letter dated April 26, 2008:

(Redacted portion)

It should also be noted that the last exhibit from the NRC didn't indicate that any further investigation was done by the NRC and that they based their decision that FPL had appropriately responded to this incident on the AIT report. Letter bate stamped 88928-88929 in Staffs Composite Exhibit 2. Mr. Jones also admitted that the NRC closed out its investigation based upon the AIT and FBI reports. R1266, line 25-1267, line Clearly, the NRC did not present any compliance report determining that FPL acted in compliance with its security guidelines. The reports only addressed the response and not compliance with security guidelines. Since Mr. Jones testimony that FPL was in compliance with the NRC guidelines is uncorroborated by any evidence, the Commission may not rely on this testimony in determining whether FPL acted reasonably and prudently.

Since both Dubin and Dr. Avera did not participate in the NRC investigation and relied on the uncorroborated hearsay supplied by Mr. Jones, this Commission may not base their decision on their opinions either. R1180.

There is also evidence that FPL failed to comply with their own security policies. Mr. Jones testified that in order to gain unescorted access to the FPL nuclear plant , a person is subjected to the following screening:

* Each individual is subject to a detailed background investigation, including verification of employment history, credit check, and a character verification, including reference checks, and, where applicable, education and military checks.

* Each individual is required to pass a rigorous psychological examination consisting of nearly 600 questions, with the responses screened for psychological stability and other characteristics. AS required, individuals may be subject to further psychological review, including interviews by a licensed psychologist.

* Each individual is required to successfully complete an FBI criminal history verification, including fingerprints, with no disqualifying criminal background.

** Each individual must successfully complete drug and alcohol screening and is then subject to random drug and alcohol testing during the period of unescorted access.

Failure to successfully complete any of these steps will result in the individual being denied unescorted access to FPL's nuclear facilities.

Jones pre-filed testimony page 7-8.

Despite Jones testimony that the saboteur passed the screening test, the NRC reports indicated that information taken from FPL records showed that the person had six arrests for crimes ranging from Criminal Recklessness and criminal mischief (charges dismissed); driving under the influence (pleaded guilty); discharging a firearm in public (dismissed); public intoxication(dismised); and reckless driving (dismissed). (Exhibit 54, FOIA Report, page 12)

The records also showed that the person had failed the written psychological test and had admitted drug use despite refusing to answer questions about drug treatment.

FPL approved this person for unescorted access despite all of these red flags and violation of their own policy. Mr. Jones also showed no interest in improving their policies to prevent this kind of incident again. Mr. Jones did admit, however, that had they viewed this person's arrests, drug/alcohol problem and failing the psychological test as red flags and used that to prohibit him from unescorted access, it would have prevented this incident.

(R696-707) It is also undocumented that there was any follow-up to determine why some of the charges were dismissed or whether the criminal mischief charge involved some graffiti spree or some act of violence. Mr. Jones admitted that he did not know the details of the criminal mischief. (R705). Although Mr. Jones testified that random drug screening is important to determine whether the employee is fit for duty, they permitted this person unescorted access despite admitted drug use, a conviction for DUI and his refusal to discuss any drug treatment he was undergoing (R694-695).

Mr. Jones testimony and the record clearly demonstrate that FPL failed to do all that they could have done to prevent this incident. Further, since FPL had the burden of proof, they could have requested release of any document needed to support their position and filed a motion for protective order so that the Commission could have know the details of their security protocols and considered all the facts necessary to determine whether FPL acted reasonably. In failing to do so, FPL failed to demonstrate with sufficient non-hearsay evidence that they acted reasonably and prudently.

The second issue raised at hearing was the concern that the saboteur had admitted his drilling the hole in the pipe to another employee and that employee failed to report the incident timely. A concern was expressed about whether employees are encouraged to report negative incidents like the drilled hole or whether they feel disapproval from FPL for

such reports. The Commission should consider Confidential Exhibit 3, document No. 06271-08, the last letter dated February 11, 2008, as well as the recommendations contained in the independent assessment at Exhibit 58.

It is not disputed that FPL acted appropriately once the hole was discovered, with the exception of any action taken to make sure that there would be a record of this person's misdeeds and to try to take action against a responsible party so that the customers did not have to bare the expense of such a preventable incident. It must also be noted that FPL did not pursue insurance or bonds or indemnification agreements with the contractor which would have protected the consumers. Although FPL denied it at the hearing, common sense tells us that if FPL had known they would bear the expense of such an incident, they would have done something more to lower the risk and prevent such an incident.

Nuclear energy is the future of Florida and it is critical that the public know that it is safe because the companies are doing everything possible to make it so. In cases such as this where the company has failed to carry their burden, it is essential that this Commission take action to let the company know that such unreasonable and imprudent action will not be allowed.

Based upon the foregoing, we urge this Commission to find that FPL did not act reasonably or prudently and to require the monies related to this incident be refunded to the customers.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing **CITIZENS' BRIEF ON ISSUE 13C** has been furnished by U.S. Mail and electronic mail to the following parties on this 25th day of November, 2008.

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