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**Subject:** Docket No. 120009-EI  
**Attachments:** FIPUG Prehearing Statement 8.6.12.pdf

In accordance with the electronic filing procedures of the Florida Public Service Commission, the following filing is made:

a. The name, address, telephone number and email for the person responsible for the filing is:

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- b. This filing is made in Docket No. 120009-EI.
- c. The document is filed on behalf of Florida Industrial Power Users Group.
- d. The total pages in the document are 8 pages.
- e. The attached document is FLORIDA INDUSTRIAL POWER USERS GROUP'S PREHEARING STATEMENT.

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Nuclear Power Plant  
Cost Recovery Clause

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Docket No. 120009-EI  
Filed: August 6, 2012

**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S  
PREHEARING STATEMENT**

The Florida Industrial Power Users Group (FIPUG), pursuant to Order No. PSC-12-0078-PCO-EI, as amended by Order No. PSC-12-0341-PCO-EI, files its Prehearing Statement.

**A. APPEARANCES:**

JON MOYLE, JR.  
VICKI GORDON KAUFMAN  
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Attorneys for the Florida Industrial Power Users Group

**B. WITNESSES AND EXHIBITS:**

All witnesses and exhibits listed by other parties in this proceeding.

**C. STATEMENT OF BASIC POSITION:**

FIPUG supports the development of cost effective, reasonable and prudent energy sources to serve Florida consumers. FPL and PEF have the burden to demonstrate that the nuclear projects that are the subject of this hearing are the most reasonable and cost-effective way to serve ratepayer needs. The Commission must bear in mind that at the end of the day, it is the consumers who bear the large cost burden of these projects.

As to the Levy Nuclear Project, so long as PEF's filing is consistent with the parties' settlement, FIPUG supports the company's position on these issues.

Regarding PEF's Extended Power Uprate (EPU) at Crystal River 3 (CR3), no further costs for this project should be imposed upon ratepayers. CR3, the nuclear unit to which the uprate is applicable, has been out of service since September 2009. It is unclear if CR3 will ever come back in service. Because the EPU project is an adjunct to CR3, no more costs related to it should be borne by ratepayers unless and until a decision is made to repair the unit. To make the point by way of an analogy, you would not buy new tires for an inoperable car unless and until you decided to repair the car. Thus, the Commission should defer all issues related to the uprate.

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**D. STATEMENT OF ISSUES AND POSITIONS:**

**Generic Legal Issue**

**Issue 1:** Does Section 366.93, Florida Statutes, authorize the Commission to disallow recovery of all, or a portion of, the carrying costs prescribed by Section 366.93(2)(b), Florida Statutes?

**FIPUG:** \*No position at this time.\*

**Progress Energy Florida, Inc., Issues**

**PEF – Legal/Policy**

**Issue 2:** Does the Commission have the authority to disallow recovery of any AFUDC equity on the Crystal River Unit 3 Uprate project in 2012 and 2013 due to the delay caused by the lack of implementation of a final decision to repair or retire Crystal River Unit 3? If yes, should the Commission exercise this authority and what amount should it disallow, if any?

**FIPUG:** \*No position at this time.\*

**Issue 3:** Does the Commission have the authority to defer all determinations of prudence and reasonableness for the Crystal River Unit 3 Uprate project (and, thus, defer cost recovery in 2013) until a final decision to repair or retire has been implemented? If yes, should the Commission exercise this authority?

**FIPUG:** \*Yes, the Commission has authority to defer issues related to the CR3 uprate. Given the unique circumstances of this, it should do so.\*

**PEF – Levy Units 1 & 2 Project**

**Issue 4:** Do PEF's activities since January 2011 related to Levy Units 1 & 2 qualify as "siting, design, licensing, and construction" of a nuclear power plant as contemplated by Section 366.93, F.S.?

**FIPUG:** \*So long as PEF's filing is consistent with the parties' settlement, FIPUG supports the company's position.\*

**Issue 5:** Should the Commission approve what PEF has submitted as its 2012 annual detailed analysis of the long-term feasibility of completing the Levy Units 1 & 2 project, as provided for in Rule 25-6.0423, F.A.C.? If not, what action, if any, should the Commission take?

**FIPUG:** \*So long as PEF's filing is consistent with the parties' settlement, FIPUG supports the company's position.\*

**Issue 6:** What is the current total estimated all-inclusive cost (including AFUDC and sunk costs) of the proposed Levy Units 1 & 2 nuclear project?

**FIPUG:** \*So long as PEF's filing is consistent with the parties' settlement, FIPUG supports the company's position.\*

**Issue 7:** What is the current estimated planned commercial operation date of the planned Levy Units 1 & 2 nuclear facility?

**FIPUG:** \*So long as PEF's filing is consistent with the parties' settlement, FIPUG supports the company's position.\*

**Issue 8:** Should the Commission find that, for 2011, PEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Levy Units 1 & 2 project? If not, what action, if any, should the Commission take?

**FIPUG:** \*So long as PEF's filing is consistent with the parties' settlement, FIPUG supports the company's position.\*

**Issue 9:** What system and jurisdictional amounts should the Commission approve as PEF's final 2011 prudently incurred costs and final true-up amounts for the Levy Units 1 & 2 project?

**FIPUG:** \*So long as PEF's filing is consistent with the parties' settlement, FIPUG supports the company's position.\*

**Issue 10:** What system and jurisdictional amounts should the Commission approve as reasonably estimated 2012 costs and estimated true-up amounts for PEF's Levy Units 1 & 2 project?

**FIPUG:** \*So long as PEF's filing is consistent with the parties' settlement, FIPUG supports the company's position.\*

**Issue 11:** What system and jurisdictional amounts should the Commission approve as reasonably projected 2013 costs for PEF's Levy Units 1 & 2 project?

**FIPUG:** \*This is a fall out issue.\*

### **PEF – Crystal River Unit 3 Uprate Project**

**Issue 12:** Should the Commission approve what PEF has submitted as its 2012 annual detailed analyses of the long-term feasibility of completing the Crystal River Unit 3 Uprate project, as provided for in Rule 25-6.0423, F.A.C.? If not, what action, if any, should the Commission take?

**FIPUG:** \*No. Given the great uncertainty, especially after the Duke/PEF merger, as to whether Crystal River 3 will be repaired or retired, the Commission should defer all prudence and reasonableness determinations and all cost recovery until it knows whether Crystal River 3 will be repaired or retired.\*

**Issue 13:** Should the Commission find that, for 2011, PEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Crystal River Unit 3 Uprate project? If not, what action, if any, should the Commission take?

**FIPUG:** \*No. Given the great uncertainty, especially after the Duke/PEF merger, as to whether Crystal River 3 will be repaired or retired, the Commission should defer all prudence and reasonableness determinations and all cost recovery until it knows whether Crystal River 3 will be repaired or retired.\*

**Issue 14:** Were all of the actual Crystal River Unit 3 Uprate project expenditures prudently incurred or expended in 2011 in the absence of a final decision to repair or retire Crystal River Unit 3 in 2011?

**FIPUG:** \*No. Until a final decision has been made to repair Crystal River 3 (if that is the final decision), it is imprudent to spend money on an uprate that may never occur. The Commission should defer all prudence and reasonableness determinations and all cost recovery until it knows whether Crystal River 3 will be repaired or retired.\*

**Issue 15:** What system and jurisdictional amounts should the Commission approve as PEF's 2011 prudently incurred costs and final true-up amounts for the Crystal River Unit 3 Uprate project?

**FIPUG:** \*This is a fall out issue.\*

**Issue 16:** Is it reasonable for PEF to incur or expend all of the estimated and projected Crystal River Unit 3 Uprate project expenditures in 2012 and 2013 in the absence of a final decision to repair or retire CR3?

**FIPUG:** \*No. Until a final decision has been made to repair Crystal River 3 (if that is the final decision), it is imprudent to spend money on an uprate that may never occur. The Commission should defer all prudence and reasonableness determinations and all cost recovery until it knows whether Crystal River 3 will be repaired or retired.\*

**Issue 17:** What system and jurisdictional amounts should the Commission approve as reasonably estimated 2012 costs and estimated true-up amounts for PEF's Crystal River Unit 3 Uprate project?

**FIPUG:** \*This is a fall out issue. \*

**Issue 18:** What system and jurisdictional amounts should the Commission approve as reasonably projected 2013 costs for PEF's Crystal River Unit 3 Uprate project?

**FIPUG:** \*This is a fall out issue. \*

### **PEF – Final Fall-out Issue**

**Issue 19:** What is the total jurisdictional amount to be included in establishing PEF's 2013 Capacity Cost Recovery Clause factor?

**FIPUG:** \*This is a fall out issue.\*

## **Florida Power & Light Company Issues**

### **FPL – Turkey Point Units 6 & 7 Project**

**Issue 20:** Do FPL’s activities since January 2011 related to Turkey Point Units 6 & 7 qualify as “siting, design, licensing, and construction” of a nuclear power plant as contemplated by Section 366.93, F.S.?

**FIPUG:** \*No position at this time.\*

**Issue 21:** Should the Commission approve what FPL has submitted as its 2012 annual detailed analyses of the long-term feasibility of completing the Turkey Point Units 6 & 7 project, as provided for in Rule 25-6.0423, F.A.C.? If not, what action, if any, should the Commission take?

**FIPUG:** \*No position at this time.\*

**Issue 22:** What is the current total estimated all-inclusive cost (including AFUDC and sunk costs) of the proposed Turkey Point Units 6 & 7 nuclear project?

**FIPUG:** \*Given the scope and size of this undertaking, this information is critical to provide transparency to those who are paying for this enormous project. Further, the Commission must consider whether the costs make sense in view of the magnitude of the expenditures. This information is in the possession of FPL and should be provided to the Commission and ratepayers.\*

**Issue 23:** What is the current estimated planned commercial operation date of the planned Turkey Point Units 6 & 7 nuclear facility?

**FIPUG:** \*Given the scope and size of this undertaking, this information is critical to provide transparency to those who are paying for this enormous project. Further, the Commission must consider whether the commercial operation date makes sense in view of the magnitude of the expenditures. This information is in the possession of FPL and should be provided to the Commission and ratepayers.\*

**Issue 24:** Should the Commission find that FPL’s 2011 project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Turkey Point Units 6 & 7 project?

**FIPUG:** \*No position at this time.\*

**Issue 25:** What system and jurisdictional amounts should the Commission approve as FPL’s final 2011 prudently incurred costs and final true-up amounts for the Turkey Point Units 6 & 7 project?

**FIPUG:** \*This is a fall out issue.\*

**Issue 26:** What system and jurisdictional amounts should the Commission approve as reasonably estimated 2012 costs and estimated true-up amounts for FPL's Turkey Point Units 6 & 7 project?

**FIPUG:** \*This is a fall out issue.\*

**Issue 27:** What system and jurisdictional amounts should the Commission approve as reasonably projected 2013 costs for FPL's Turkey Point Units 6 & 7 project?

**FIPUG:** \*This is a fall out issue.\*

**FPL – St. Lucie Units 1&2 and Turkey Point Units 3&4 Extend Power Uprate Project**

**Issue 28:** Should the Commission approve what FPL has submitted as its 2012 annual detailed analyses of the long-term feasibility of completing FPL's Extended Power Uprate project, as provided for in Rule 25-6.0423, F.A.C.? If not, what action, if any, should the Commission take?

**FIPUG:** \*No position at this time.\*

**Issue 28A:** Based on the evidence, under current circumstances, should the Commission evaluate the economic feasibility of the Turkey Point and St. Lucie Extended Power Uprate activities separately? (OPC – contested)

**FIPUG:** \*No position at this time.\*

**Issue 29:** Should the Commission find that FPL's 2011 project management, contracting, accounting and cost oversight controls were reasonable and prudent for FPL's Extended Power Uprate project?

**FIPUG:** \*No position at this time.\*

**Issue 29A:** Should the Commission find that FPL managed the extended power uprate activities at Turkey Point in a reasonable and prudent manner? If not, what action should the Commission take? (OPC – contested)

**FIPUG:** \*No position at this time.\*

**Issue 30:** What system and jurisdictional amounts should the Commission approve as FPL's final 2011 prudently incurred costs and final true-up amounts for FPL's Extended Power Uprate project?

**FIPUG:** \*This is a fall out issue.\*

**Issue 31:** What system and jurisdictional amounts should the Commission approve as reasonably estimated 2012 costs and estimated true-up amounts for FPL's Extended Power Uprate project?

**FIPUG:** \*This is a fall out issue.\*



**Issue 32:** What system and jurisdictional amounts should the Commission approve as reasonably projected 2013 costs for FPL's Extended Power Uprate project?

**FIPUG:** \*This is a fall out issue.\*

**FPL – Final Fall-out Issue**

**Issue 33:** What is the total jurisdictional amount to be included in establishing FPL's 2013 Capacity Cost Recovery Clause factor?

**FIPUG:** \*This is a fall out issue.\*

**E. STIPULATED ISSUES:**

None at this time.

**F. PENDING MOTIONS:**

None at this time.

**G. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:**

None.

**H. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:**

None at this time.

**I. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:**

There are no requirements of the Order Establishing Procedure with which the Florida Industrial Power Users Group cannot comply at this time.

s/ Vicki Gordon Kaufman  
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**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of FIPUG's Prehearing Statement, was served by Electronic Mail and United States Mail this 6<sup>th</sup> day of August, 2012, to the following:

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