

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Nuclear Cost Recovery  
Clause.

DOCKET NO.: 160009-EI

FILED: June 30, 2016

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

The Florida Industrial Power Users Group ("FIPUG"), pursuant to the Order Establishing Procedure in this docket, Order No. PSC-16-0105-PCO-EI, issued March 11, 2016, hereby submits its Prehearing Statement.

**APPEARANCES:**

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Attorneys for the Florida Industrial Power Users Group

**1. WITNESSES:**

All witnesses listed by other parties

**2. EXHIBITS:**

All exhibits listed by other parties.

**3. STATEMENT OF BASIC POSITION:**

**DEF**

FIPUIG takes no position and does not object to DEF's positions on the issues related to the recovery of the CR3 EPU project which costs are being recovered pursuant to the provisions of the Revised and Restated Stipulation and Settlement Agreement (RRSSA) approved in Order No. PSC-13-0598-FOF-EI. For the Levy Nuclear Project (LNP), there are no costs being recovered from customers in this hearing cycle as all known costs have been recovered pursuant to the RRSSA.

### **FPL**

FPL has not filed a long-term feasibility study in the 2016 Nuclear Cost Recovery Clause proceeding. Based on the lack of 2016 long-term feasibility study which demonstrates that FPL's Turkey Point Units 6 & 7 project is feasible going forward, any new costs incurred on the project should not be allowed, and indeed are not legally eligible to be recovered through the Nuclear Cost Recovery Clause.

FPL has filed a Motion to Defer Consideration of Issues and Cost Recovery which is pending before the Commission for consideration at the July 7, 2016, Agenda Conference. FIPUG opposes the FPL motion. Specifically, the Nuclear or Integrated Gasification Combined Cycle Power Plant Cost Recovery Rule, 25-6.0423, required FPL to file a feasibility study. The rule provision in question states in pertinent part:

Along with the filings required by this paragraph, each year a utility shall submit for Commission review and approval a detailed analysis of the long-term feasibility of completing the power plant. Such analysis shall include evidence that the utility intends to construct the nuclear or integrated gasification combined cycle power plant by showing that it has committed sufficient, meaningful, and available resources to enable the project to be completed and that its intent is realistic and practical.

See, 25-6.0423, F.A.C.

Preparing and filing a feasibility study is not an optional requirement. It is "required" by the express terms of Rule 25-6.0423, F.A.C to be filed "each year". The Commission's policy is

sound, so that it may make a real time determination whether a project should move forward. If material facts have changed such that the project is no longer feasible, the Commission should know and act on that information sooner rather than later. Absolving the utility from filing current information as required deprives the Commission and the parties the opportunity to understand how matters may have changed. The rule should be enforced. FIPUG opposes the motion to defer and FPL's related efforts to defer a determination of whether the Turkey Point Units 6 & 7 project remains feasible.

#### **4. STATEMENT OF FACTUAL ISSUES AND POSITIONS**

##### **DEF**

**Issue 1:**        **Should the Commission find that during 2015, DEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Levy Units 1 & 2 project?**

FIPUG:            No Position.

**Issue 2:**        **Should the Commission find that during 2015, DEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Crystal River Unit 3 Uprate project?**

FIPUG:            No Position.

**Issue 3:**        **What jurisdictional amounts should the Commission approve as DEF's actual 2015 prudently incurred costs for the Crystal River Unit 3 Uprate project?**

FIPUG:            No Position.

**Issue 4:** What jurisdictional amounts should the Commission approve as reasonably estimated 2016 exit and wind down costs and carrying costs for the Crystal River Unit 3 Uprate Project?

FIPUG: No Position.

**Issue 5:** What jurisdictional amounts should the Commission approve as reasonably projected 2017 exit and wind down costs and carrying costs for the Crystal River Unit 3 Uprate Project?

FIPUG: No Position.

**Issue 6:** What is the total jurisdictional amount to be included in establishing DEF's 2017 Capacity Cost Recovery Clause Factor?

FIPUG: No Position.

**FPL**

**Issue 7:** Should the Commission approve as reasonable what FPL has submitted as its 2016 annual detailed analysis 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?

FIPUG: No, FPL has failed to file a long-term feasibility analysis for 2016 as legally required.

**Issue 7a:** 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: FPL's current estimated costs are low and the ultimate cost of the proposed Turkey Point units 6 & 7 will likely exceed the cost figure FPL is projecting in this proceeding.

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

FIPUG:            The current estimated planned commercial operation dates of the planned Turkey Point Units 6 & 7, are overly optimistic. The actual commercial operation dates of these units will occur later in time than the commercial operation dates put forward by FPL.

**Issue 8:**            **Should the Commission find that FPL’s 2015 project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Turkey Point Units 6 & 7 project?**

FIPUG:            No.

**Issue 9:**            **What jurisdictional amounts should the Commission approve as FPL’s actual 2015 prudently incurred costs and final true-up amounts for the Turkey Point Units 6 & 7 project?**

FIPUG:            FPL’s failure to comply with Rule 25-6.0423(6)(e)5 F.A.C. results in FPL not being legally eligible to recover 2015 prudently incurred costs and final true-up amounts for the Turkey Point Units 6 & 7 project.

**Issue 10:**          **What jurisdictional amounts should the Commission approve as reasonably estimated 2016 costs and estimated true-up amounts for FPL’s Turkey Point Units 6 & 7 project?**

FIPUG:            Based on the lack of 2016 long-term feasibility study which demonstrates that FPL’s Turkey Point Units 6 & 7 project is feasible going forward, any new costs incurred on the project are not legally eligible to be recovered through the NCR clause.

**Issue 11:**          **What jurisdictional amounts should the Commission approve as reasonably projected 2017 costs for FPL’s Turkey Point Units 6 & 7 project?**

FIPUG: Based on the lack of 2016 long-term feasibility study which demonstrates that FPL's Turkey Point Units 6 &7 project is feasible going forward, any new costs incurred on the project are not legally eligible to be recovered through the NCR clause.

**Issue 12: What is the total jurisdictional amount to be included in establishing FPL's 2017 Capacity Cost Recovery Clause factor?**

FIPUG: Based on the lack of 2016 long-term feasibility study which demonstrates that FPL's Turkey Point Units 6 &7 project is feasible going forward, any new costs incurred on the project are not legally eligible to be recovered through the NCR clause.

**5. STIPULATED ISSUES:**

None at this time.

**6. PENDING MOTIONS:**

None.

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

None.

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

FIPUG objects to any expert witness not designated as an expert and expressly offered as an expert witness, with areas of expertise identified.

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

There are no requirements of the Order Establishing Procedure with which FIPUG cannot comply.

Dated this 30<sup>th</sup> day of June, 2016

Respectfully submitted,

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**CERTIFICATE OF SERVICE**  
**Docket No. 160009-EI**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished

by electronic mail on this 30<sup>th</sup> day of June, 2016, to the following:

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