

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Duke Energy Florida, LLC to
Approve Transaction with Accelerated
Decommissioning Partners, LLC for Accelerated
Decommissioning Services at the CR3 Facility,
Transfer of Title to Spent Fuel, and Assumption of
Operations of the CR3 Facility Pursuant to the
NRC License, and Request for Waiver From
Future Application of Rule 25-6.04365, F.A.C. for
Nuclear Decommissioning Study

DOCKET NO.: 20190140-EI
Dated: July 2, 2020

**JEFF ADIX RESPONSE TO
LATE-FILED DEPOSITION EXHIBIT
ON BEHALF OF
DUKE ENERGY FLORIDA, LLC**

CONFIDENTIAL

Late filed Ex. 3 – Explanation of parental support agreement and fixed cost relationship.

NorthStar's Credit and Guaranty Agreement, dated September 6, 2019, includes Parental Support Agreement as a defined term, with the definition including five criteria (a – e) that are required for such an Agreement to be a permissible part of the structure in a nuclear decommissioning project. One of these criteria, item e, is that each nuclear decommissioning project shall be established on a "fixed-cost" basis. In response to a question from Mr. Rehwinkel, each of the criteria, including the use of a fixed-cost approach, was consistent with the expected structure of future nuclear decommissioning projects in discussions with the Company's lenders. The Company's lenders agreed to allow the use of Parental Support Agreements to support nuclear decommissioning projects, as long as those agreements remained within the overall context of a transaction consistent with the structuring points summarized in the definition.

Mr. Rehwinkel also asked whether there are any provisions of the Credit and Guaranty Agreement that would be an obstacle to implementing any of Mr. Polich's recommendations. Point a of the Parental Support Agreement definition discussed above requires the Parental Support Agreement to be unsecured, and therefore would prohibit cash from being set aside to secure performance under any such Agreement.