

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear cost recovery clause.

DOCKET NO. 160009-EI  
ORDER NO. PSC-16-0447-FOF-EI  
ISSUED: October 10, 2016

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman  
LISA POLAK EDGAR  
ART GRAHAM  
RONALD A. BRISÉ  
JIMMY PATRONIS

APPEARANCES:

MATTHEW R. BERNIER, ESQUIRE, 106 East College Avenue, Suite 800,  
Tallahassee, Florida 32301, DIANNE M. TRIPLETT, ESQUIRE, 299 First  
Avenue North, St. Petersburg, Florida 33701  
On behalf of Duke Energy Florida, LLC (DEF)

JESSICA CANO, and KEVIN I.C. DONALDSON, ESQUIRES, Florida Power &  
Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408  
On behalf of Florida Power & Light Company (FPL) (Excused)

J.R. KELLY, CHARLES J. REHWINKEL, PATRICIA A. CHRISTENSEN, and  
ERIK L. SAYLER, ESQUIRES, Office of Public Counsel, c/o The Florida  
Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399-1400  
On behalf of the Citizens of the State of Florida (OPC)

JON MOYLE, JR. and KAREN A. PUTNAL, ESQUIRES, Moyle Law Firm,  
P.A., 118 North Gadsden Street, Tallahassee, Florida 32301  
On behalf of the Florida Industrial Power Users Group (FIPUG)

JAMES W. BREW, and LAURA A. WYNN, ESQUIRES, Stone Mattheis  
Xenopoulos & Brew, P.C., 1025 Thomas Jefferson St., NW, Eighth Floor, West  
Tower, Washington, DC 20007  
On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate –  
White Springs (PCS Phosphate)

GEORGE CAVROS, ESQUIRE, 120 E. Oakland Park Boulevard, Suite 105, Fort  
Lauderdale, Florida, 33334  
On behalf of the Southern Alliance for Clean Energy (SACE)

ROBERT SCHEFFEL WRIGHT and JOHN T. LAVIA, III, ESQUIRES,  
Gardner, Bist, Bowden, Bush, Dee, LaVia & Wright, P.A., 1300 Thomaswood  
Drive, Tallahassee, Florida 32308

On behalf of the Florida Retail Federation (FRF)

VICTORIA MÉNDEZ, CHRISTOPHER A. GREEN, KERRI L. MCNULTY and  
XAVIER ALBÁN, ESQUIRES, City of Miami, 444 S.W. 2nd Avenue, Suite 945,  
Miami, Florida 33130-1910

On behalf of City of Miami (Miami) (Excused)

KYESHA MAPP and MARGO A. LEATHERS, ESQUIRES, Florida Public  
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-  
0850

On behalf of the Florida Public Service Commission (Staff)

MARY ANNE HELTON, ESQUIRE Deputy General Counsel, Florida Public  
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-  
0850

Advisor to the Florida Public Service Commission

FINAL ORDER APPROVING NUCLEAR COST RECOVERY AMOUNTS  
FOR DUKE ENERGY FLORIDA, LLC

BY THE COMMISSION:

**BACKGROUND**

In 2006, the Florida Legislature adopted legislation encouraging the development of nuclear energy in the state. Section 366.93, Florida Statutes (F.S.), directed the Commission to adopt rules providing for alternate cost recovery mechanisms that will encourage investor-owned electric utilities to invest in nuclear power plants. The Commission adopted Rule 25-6.0423, Florida Administrative Code (F.A.C.), which provides for a clause recovery proceeding annually to consider investor-owned utilities' requests for cost recovery concerning construction of new nuclear plants or additions. The Office of Public Counsel (OPC), Florida Industrial Power Users Group (FIPUG), Southern Alliance for Clean Energy (SACE), White Springs Agricultural Chemicals Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate), Florida Retail Federation (FRF) and the City of Miami (Miami) were granted intervention in this docket.

Both Florida Power & Light Company (FPL) and Duke Energy Florida, LLC (DEF) petitioned the Commission for recovery of costs through the Nuclear Cost Recovery Clause (NCRC) on April 27, 2016. However, by Order No. PSC-16-0266-PCO-EI, issued on July 12, 2016, the consideration of all issues and cost recovery pertaining to FPL were deferred; therefore, this Order addresses only the petitions filed by DEF.

DEF filed two petitions in this docket, the first filed on March 1, 2016, sought prudence review and final true-up of actual 2015 costs for the Crystal River 3 Uprate Project (CR3 Uprate Project). The second petition, filed on April 27, 2016, sought approval for cost recovery of estimated 2016 and 2017 costs for the same project. As part of its filings, DEF provided information concerning the activities and estimated unrecovered costs associated with the Levy Project which may be requested for recovery through the project's final true-up that will be addressed in the 2017 NCRC. These activities and estimated unrecovered costs are only being provided for informational purposes at this time. DEF is not seeking a Commission determination of reasonableness, prudence or recoverability of Levy Project costs at this time.

We have jurisdiction over these matters pursuant to Section 366.93, F.S., as well as Sections 366.04, 366.041, 366.05, 366.06 and 366.07, F.S.

### **DECISION**

As part of our annual Nuclear Cost Recovery Clause docket, an administrative hearing was held on August 9, 2016. DEF submitted testimony and exhibits in support of its petitions. Commission staff also submitted testimony and exhibits into the evidentiary record. Prior to the hearing, the parties reached an agreement concerning all issues identified for resolution at hearing. These issues were presented to this Commission as a stipulation. We accept and approve the stipulations as reasonable and supported by competent, substantial evidence of record as set forth below.

We find that DEF's 2015 project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Levy Units 1 & 2 project and the CR3 Uprate project.

We find that the appropriate jurisdictional amounts for DEF's actual 2015 prudently incurred costs for the CR3 Uprate Project is as follows:

The Wind-Down & Exit Costs (Jurisdictional, net of joint owners) are (\$1,402,248).

Carrying Costs are \$18,759,015.

The over-recovery of \$2,535,876 shall be included in setting the allowed 2017 NCRC recovery.

We hereby approve the following jurisdictional amounts as reasonably estimated 2016 exit and wind down costs and carrying costs for the CR3 Uprate Project as follows:

The Wind-Down & Exit Costs (Jurisdictional, net of joint owners) are \$52,808.

Carrying Costs are \$14,219,463.

The over-recovery of \$592,043 shall be included in setting the allowed 2017 NCRC recovery.

We hereby approve the following jurisdictional amounts as reasonably projected 2017 exit and wind down costs and carrying costs for the CR3 Uprate Project.

The Wind-Down & Exit Costs (Jurisdictional, net of joint owners) are \$54,708.

Carrying Costs are \$10,234,917.

The amortization of the 2013 Regulatory Asset is \$43,681,007.

We hereby find that the total jurisdictional amount to be included in establishing DEF's 2017 Capacity Cost Recovery Clause factor shall be \$51,737,557, relating only to the CR3 Uprate Project.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the stipulations, findings, and rulings set forth in the body of this Order are hereby approved. It is further

ORDERED that Duke Energy Florida, LLC, shall abide by the stipulations, findings, and rulings herein which are applicable to it. It is further

ORDERED that Duke Energy Florida, LLC, is hereby authorized to include the estimated nuclear cost recovery amount of \$51,737,557 for establishing its 2017 Capacity Cost Recovery Factor.

By ORDER of the Florida Public Service Commission this 10th day of October, 2016.



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HONG WANG  
Chief Deputy Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

KRM

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.