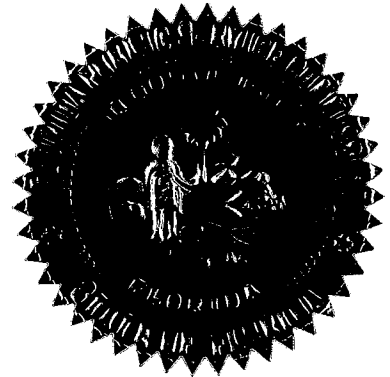


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 060642-EI

In the Matter of:

PETITION FOR DETERMINATION OF NEED FOR
EXPANSION OF CRYSTAL RIVER 3 NUCLEAR
POWER PLANT, FOR EXEMPTION FROM BID RULE
25-22.082, F.A.C., AND FOR COST RECOVERY
THROUGH FUEL CLAUSE, BY PROGRESS ENERGY
FLORIDA, INC.



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THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

PROCEEDINGS: PREHEARING CONFERENCE

BEFORE: COMMISSIONER MATTHEW M. CARTER, II
Prehearing Officer

DATE: Monday, January 8, 2007

TIME: Commenced at 1:30 p.m.
Concluded at 1:42 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, CRR, RPR
Official FPSC Reporter
(850) 413-6734

FLORIDA PUBLIC SERVICE COMMISSION

DOCUMENT NUMBER-DATE
00199 JAN-98
FPSC-COMMISSION CLERK

1 APPEARANCES:

2 JAMES M. WALLS, ESQUIRE, and DIANNE M. TRIPLETT,
3 ESQUIRE, Carlton Fields Law Firm, Post Office Box 3239, Tampa,
4 Florida 33601-3239, appearing on behalf of Progress Energy
5 Florida.

6 PATRICIA A. CHRISTENSEN, ESQUIRE, and
7 JOSEPH A. MCGLOTHLIN, ESQUIRE, Office of Public Counsel, c/o
8 The Florida Legislature, 111 West Madison Street, Room 812,
9 Tallahassee, Florida 32399-1400, appearing on behalf of the
10 Citizens of the State of Florida.

11 ROBERT SCHEFFEL WRIGHT, ESQUIRE, Young van Assenderp,
12 225 South Adams Street, Suite 200, Tallahassee, Florida 32301,
13 appearing on behalf of the Florida Retail Federation.

14 LISA BENNETT, ESQUIRE, and LORENA HOLLEY, ESQUIRE,
15 FPSC General Counsel's Office, 2540 Shumard Oak Boulevard,
16 Tallahassee, Florida 32399-0850, appearing on behalf of the
17 Commission Staff.

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P R O C E E D I N G S

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COMMISSIONER CARTER: Call this hearing to order.

Staff, would you please read the notice?

MS. BENNETT: Pursuant to notice, this time and place has been set for a prehearing conference in Docket Number 060642, Crystal River Unit 3 need determination uprate.

COMMISSIONER CARTER: Okay. We'll now take appearances.

MR. WALLS: Mike Walls and Dianne Triplett with Carlton Fields on behalf of Progress Energy Florida.

MS. CHRISTENSEN: Patty Christensen on behalf of the Office of Public Counsel.

COMMISSIONER CARTER: Okay.

MS. CHRISTENSEN: And I'd also like to put an appearance for Joe McGlothlin.

COMMISSIONER CARTER: Okay.

MS. BENNETT: Lisa Bennett and Lorena Holley for the Public Service Commission.

COMMISSIONER CARTER: These are all the parties?

MS. BENNETT: There are additional parties who have filed motions to intervene. Mr. McWhirter did contact me Friday afternoon and asked that he be excused from today's proceeding.

COMMISSIONER CARTER: Okay. I thought I saw someone coming in the back door there. Let's take five.

1 (Recess taken.)

2 COMMISSIONER CARTER: We're back on the record. Let
3 us deal now with the preliminary matters.

4 MS. BENNETT: The petition, original petition by
5 Progress included a request for cost recovery. Pursuant to the
6 prehearing officer's order, this issue was bifurcated and the
7 cost recovery through the fuel clause issue will be heard at a
8 later date by the Commission. Also there is a correction in
9 the order establishing procedure. It contains a statement that
10 PEF requests to issue a request for proposals to evaluate
11 supply-side alternatives to its proposed expansion. That's not
12 part of PEF's petition and will not need to be considered in
13 the need determination. They are asking for an exemption --

14 COMMISSIONER CARTER: Okay.

15 MS. BENNETT: -- from the Bid Rule process. And
16 there are no other preliminary matters on behalf of
17 Public Service Commission staff.

18 COMMISSIONER CARTER: Okay. Mr. Wright, are you a
19 party to this proceeding?

20 MR. WRIGHT: Yes, sir, Commissioner.

21 COMMISSIONER CARTER: Okay. Well, we'll have a
22 belated taking of appearances.

23 MR. WRIGHT: I appreciate it. I'll explain later why
24 I was late. Thank you very much.

25 Robert Scheffel Wright, the Law Firm of

1 Young van Assenderp appearing on behalf of the Florida Retail
2 Federation.

3 COMMISSIONER CARTER: Okay.

4 MR. WRIGHT: Thank you.

5 COMMISSIONER CARTER: We've just gone through the
6 taking of appearances and preliminary matters. And now I'd
7 like to -- what I'd like to do is proceed through the
8 prehearing order. If you -- I like to go step by step. If
9 there's no corrections or information, you don't really have to
10 say anything just because I'm there. Okay?

11 Okay. Let's proceed through the prehearing order.
12 Section I, any comments? Hearing none, Section II. Hearing
13 none, Section III. Hearing none, Section IV. Hearing none,
14 Section V. Hearing none, Section VI. Hearing none, Section
15 VII. Section VIII.

16 MS. BENNETT: There are a couple of changes to
17 positions, as I understand, from the parties. I believe
18 there's a stipulation between FRF and Progress. I'm not sure
19 that they're ready to present that on Issue 1.

20 COMMISSIONER CARTER: Mr. Wright, you're recognized.

21 MR. WRIGHT: Thank you, Commissioner. It's probably
22 best if I explain why I was late. I've now been married for
23 slightly less than 48 hours. I got married in Baton Rouge and
24 I just returned to town.

25 I did exchange this proposed stipulation with

1 Mr. Walls this morning, but -- or actually around lunchtime,
2 but we have not had a chance to discuss it further beyond that.

3 Are you agreeable?

4 MR. WALLS: Yes, Mr. Wright, if you would just change
5 the word "waiver" to "exemption" since that comports with what
6 we asked for.

7 MR. WRIGHT: Great. That'll be fine. Then I think
8 we have a stipulation on Issue 1, and we would revise our
9 statement of basic position to comport with that. Thank you.

10 COMMISSIONER CARTER: Okay. We'll give you leave to
11 get with staff and make it so.

12 MR. WRIGHT: Thank you. Yes, sir. Thank you.

13 COMMISSIONER CARTER: Not a problem. And
14 congratulations.

15 MR. WRIGHT: Thank you, sir.

16 MS. BENNETT: Also on Issue 8 there is no position
17 taken yet by Progress on Issue 8, closing the docket. They may
18 wish to take a position now. And this would give me an
19 opportunity to remind the parties that if you take no position
20 at this time, that becomes a no position in the prehearing
21 order and you're precluded from taking a position after that.

22 MS. CHRISTENSEN: The Office of Public Counsel
23 understands that and we'll remain with no position on these
24 issues in this docket depending on what Mr. Walls amends
25 Issue 8 to be, but I don't anticipate changing our positions.

1 COMMISSIONER CARTER: Okay. Mr. Wright?

2 MR. WRIGHT: We understand and we have no objection
3 as to our position being changed to no position where
4 appropriate. There is one where we've taken yes as to
5 diversity and no position at this time as to the other. So our
6 position should just be yes as to diversity and no position as
7 to the other. And as to Issue 8, our position will simply be
8 yes or as stated.

9 COMMISSIONER CARTER: You're recognized.

10 MR. WALLS: Progress's position is that the docket
11 can be closed after resolving Issues 1 through 7.

12 COMMISSIONER CARTER: Okay. Staff?

13 MS. BENNETT: There are no other items that need to
14 be taken up on Section VIII.

15 COMMISSIONER CARTER: Okay. And you'll just get with
16 the parties and craft the information. I think there was
17 basically a, just a scrivener's error as you would be reporting
18 on that; correct?

19 MR. WRIGHT: Yes, sir. I used one word. I should
20 have used a different one.

21 COMMISSIONER CARTER: Not a problem. Not a problem.
22 So that completes Issue 8. Any other comments on
23 Issue 8? Section VIII. Sorry. Whenever I hear Section VIII,
24 I think about a housing program.

25 Section IX.

1 MS. BENNETT: Staff will prepare a comprehensive
2 exhibit list consisting of all of the prefiled exhibits and
3 including a comprehensive staff exhibit list that will be
4 entered into the record at the hearing, and we will provide the
5 exhibit list to parties as soon as possible for stipulation.

6 COMMISSIONER CARTER: Okay. And, again, parties, if
7 you have any documents or exhibits, you know the normal
8 procedure is to get with staff on it. Okay? Is that all right
9 with everybody? Let's just -- if it's not broke, let's don't
10 fix it.

11 Section X.

12 MS. BENNETT: Currently there are -- the only
13 proposed stipulation is that between FRF and Progress, but we
14 will continue to work and anticipate having this docket, the
15 issues stipulated by the time of the hearing.

16 COMMISSIONER CARTER: It's always good when you work
17 it out among yourselves.

18 Section IX, pending motions.

19 MS. BENNETT: There are no pending or outstanding
20 motions.

21 COMMISSIONER CARTER: All right. Section -- excuse
22 me. Actually that would have been Section X for proposed
23 stipulations and Section XI for pending motions. I stand
24 corrected.

25 Section XII.

1 MS. BENNETT: Commissioner, there are no pending
2 confidentiality motions.

3 COMMISSIONER CARTER: Section XIII. Section XIV.

4 MS. BENNETT: There needs -- staff would suggest that
5 the prehearing officer make a ruling that opening statements,
6 if any, should not exceed ten minutes.

7 COMMISSIONER CARTER: Let me take five. Let's just
8 take five.

9 (Recess taken.)

10 COMMISSIONER CARTER: We are back on the record in
11 Docket Number 060642-EI. We were on Section XIII, then Section
12 XIV. Now we are on -- I guess now we'll go from sections to
13 numbers, Roman Numeral 6. Any other matters?

14 MS. BENNETT: Not from staff.

15 COMMISSIONER CARTER: Okay. Any of the parties?

16 MR. WRIGHT: No, sir.

17 COMMISSIONER CARTER: Okay. Hearing none, we are
18 adjourned.

19 (Prehearing Conference adjourned at 1:42 p.m.)
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1 STATE OF FLORIDA)
2 COUNTY OF LEON)

CERTIFICATE OF REPORTER

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I, LINDA BOLES, CRR, RPR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 9th day of January, 2007.

Linda Boles
LINDA BOLES, CRR, RPR
FPSC Official Commission Reporter
(850) 413-6734