

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 100009-EI

In the Matter of:

NUCLEAR COST RECOVERY CLAUSE.
_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 12 (Excluding Issue 3A)

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER NATHAN A. SKOP
COMMISSIONER RONALD A. BRISÉ

DATE: Tuesday, October 26, 2010

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

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



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(**REPORTER'S NOTE:** Issue 3A was deferred and a transcript pertaining to said deferral was filed under separate cover.)

P R O C E E D I N G S

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3 **CHAIRMAN GRAHAM:** The next item up is Item
4 Number 12.

5 I see that Mr. Willis assumes that everybody
6 knows his name. Thank you, Marshall.

7 Mr. Hinton.

8 **MR. HINTON:** Chairman, Commissioners, I'm
9 Cayce Hinton with Commission Staff.

10 Item 12 is staff's recommendation in Docket
11 Number 100009, the nuclear cost recovery proceeding.

12 This docket addresses petitions for cost
13 recovery related to nuclear construction projects
14 pursuant to Section 366.93, *Florida Statutes*, and Rule
15 25-6.0423, *Florida Administrative Code*.

16 In this docket we've addressed petitions by
17 both FPL and Progress Energy. FPL's petition included
18 costs related to the uprate of existing nuclear plants,
19 Turkey Point Units 3 and 4, and St. Lucie Units 1 and 2,
20 as well as the proposed new generating plants, Turkey
21 Point Units 6 and 7. However, as you recall, the
22 parties to this docket stipulated all FPL-specific
23 issues and the Commission approved that stipulation
24 during the September 7th hearing.

25 Progress Energy's petition included costs

1 related to the uprate of the existing nuclear plant
2 Crystal River 3, as well as the proposed new generating
3 plants, Levy Units 1 and 2.

4 Other than one legal issue, the recommendation
5 before you only addresses Progress-specific issues.
6 Issue 3A in the recommendation before you, I would note,
7 has been deferred to next year's proceeding.

8 To aid you in discussing questions you may
9 have, Keino Young directly to my left will address the
10 recommendations on, the legal recommendation on Issue 2;
11 Stephen Garl to my right will address the long-term
12 feasibility issues, 6 and 8; and I will do my best to
13 address all other issues. Staff is available to proceed
14 with a review of the issues in order, if that is your
15 preference, or otherwise answer any questions you may
16 have.

17 **CHAIRMAN GRAHAM:** Thank you, Mr. Hinton. And
18 thank you for reminding us that we have already deferred
19 Issue 3A.

20 That being said, Commission board, do we have
21 any questions or comments?

22 Commissioner Skop.

23 **COMMISSIONER SKOP:** Yes. Just as a point of
24 information with respect to Issue 3A, which would,
25 disposition had been deferred, what was the

1 administrative action taken to defer it 'til next year's
2 proceeding as opposed to just a deferral based on --

3 **MR. HINTON:** I believe that was this morning
4 as part of the move Staff action that was taken was that
5 Issue 3A was moved at that point.

6 **COMMISSIONER SKOP:** Okay. Deferred, not
7 deferred to next, not deferred to next year.

8 **MR. HINTON:** I believe the deferral slip says
9 next year.

10 **MR. YOUNG:** The deferral slip, Commissioner,
11 point of -- the deferral slip says until -- the idea was
12 to defer until next year's proceeding given --

13 **COMMISSIONER SKOP:** I'm sorry. I'm having
14 trouble hearing you.

15 **MR. YOUNG:** I'm sorry. The idea was to defer
16 until next year's proceeding. This is not a -- this
17 issue doesn't have a dollar impact as relates to the
18 other issues. Because we don't know when the 1st DCA
19 will rule on this case, we were being prudent in terms
20 of deferring it until next year.

21 **COMMISSIONER SKOP:** All right. Very well.
22 Thank you.

23 **CHAIRMAN GRAHAM:** Are there any other
24 questions? Commissioner Skop, and then -- I'm sorry.

25 **COMMISSIONER EDGAR:** Oh, that's okay.

1 **CHAIRMAN GRAHAM:** Commissioner Skop and then
2 Commissioner Edgar. I didn't know if you were finished.

3 **COMMISSIONER SKOP:** All right. Thank you.

4 With respect to Staff recommendation, let me
5 try and get to the right issue. I believe on Issue 9
6 with respect to the CR3 uprate costs, the amounts that
7 Staff is recommending approval, can Staff just briefly
8 review those amounts, please?

9 **MR. HINTON:** The bottom line is, is a, a
10 true-up for 2009 costs related to the CR3 uprate of a
11 negative 244,765. Did you want to go through the
12 different costs that are listed there that, that go into
13 that?

14 **COMMISSIONER SKOP:** No. I'm just looking for
15 the bottom line.

16 **MR. HINTON:** Yeah. The bottom line is a
17 negative 244,765.

18 **COMMISSIONER SKOP:** All right. So that's a
19 credit?

20 **MR. HINTON:** Correct.

21 **COMMISSIONER SKOP:** Okay. All right. Now
22 with respect to Issue, Issue 12, the bottom line amount
23 with respect to the Levy 1, Levy 2 units.

24 **MR. HINTON:** The bottom line, Staff recommends
25 the Commission approve as prudent a final 2009 true-up

1 amount of 4,192,819 related to the 2009 Levy project.

2 **COMMISSIONER SKOP:** Okay. And within the
3 scope of the Staff recommendation Staff has determined
4 that all the expenditures that Progress incurred were
5 prudently incurred and consistent with statute; is that
6 correct?

7 **MR. HINTON:** With regards to the Levy project
8 in 2009, yes, we're recommending finding a prudence on
9 those costs.

10 **COMMISSIONER SKOP:** All right. Very well.
11 Thank you.

12 **CHAIRMAN GRAHAM:** Thank you, Commissioner
13 Skop.

14 Commissioner Edgar.

15 **COMMISSIONER EDGAR:** Thank you, Mr. Chair.
16 And I want to come back and follow up on the procedural
17 point that Commissioner Skop asked about and that
18 Mr. Young and Mr. Hinton responded to because I'm still
19 a little unclear.

20 I understand that it was the decision of the
21 Chair in response to other factors that we need to be
22 responsive to to defer Issue 3A, and I'm fine with that.
23 But when you said that it would be deferred until the
24 2011 NCRC, that would be when?

25 **MR. HINTON:** During the normal course of next

1 year's nuclear cost recovery proceeding, which would go
2 to hearing at some point presumably in August of next
3 year.

4 **COMMISSIONER EDGAR:** Okay. So I recognize
5 this may be an overly picky technicality, and feel free
6 to tell me if indeed that's the case, but I think what,
7 what you have said that, to defer it until next year,
8 until 2011 is basically adopting the Staff
9 recommendation before us, and I would have thought that
10 that would have required a vote. And I thought what we
11 were trying to do was, was recognize that we are not in
12 a position to vote. So I'm just -- and, and also I
13 didn't see the form, so my understanding was that it was
14 a deferral of this issue. But as Commissioner Skop had
15 raised, that that would then have the opportunity
16 potentially to come back to us prior to August of this
17 [sic] year. And I just want to make sure I'm clear on
18 what we're doing.

19 **MS. HELTON:** I have to confess that even
20 though my signature is on the form, I evidently did not
21 read it. I thought it had the same language that we had
22 put down for the rest of them. It has the same -- oh,
23 it has the same language? Oh, okay.

24 Okay. I think that may be -- looking at it
25 again, it does have the same language as the other ones,

1 which I thought that it did. I'm not sure that you can
2 infer from that actually that we are deferring it until
3 next year. So I think after listening to the discussion
4 today, I think that it probably is better to bring that
5 back at the appropriate time once the Court has ruled to
6 see what the will of everyone is with respect to when
7 that issue will be taken up.

8 **COMMISSIONER EDGAR:** What I would suggest is
9 just to keep it -- just a suggestion, Commissioners --
10 keep it so that, such that it is available to us to
11 bring back at an earlier point, if indeed that is
12 something that the Staff would recommend and that we
13 want to consider.

14 **CHAIRMAN GRAHAM:** Well, I don't think we
15 deferred it to a date, to a date certain. We just
16 deferred it. So we can bring it back at any time; is
17 that correct?

18 **MR. YOUNG:** I'll yield to Mr. Devlin.

19 **MR. DEVLIN:** No. I was just saying you're
20 correct, Chairman Graham and Commissioner Edgar. We
21 have a date specific in there. We probably shouldn't
22 have had a date specific in there. We probably should
23 have just left that blank.

24 **COMMISSIONER EDGAR:** If -- thank you. If I
25 may, I think there's just a little bit of confusion, all

1 well intentioned, between the language in the Staff
2 recommendation and then the additional procedural
3 decision that we have made to defer FPL related items.
4 And I think that, Commissioners, if you agree, that
5 probably a way to handle that is just to take half a
6 step back and, as we move forward, recognize that we
7 have by rule of the Chair deferred Issue 3A and that it
8 may come back to us at some time in the future as
9 recommended by Staff.

10 **MR. HINTON:** Commissioner, I, I fully take the
11 blame for any confusion this morning. I apparently
12 completely misread the deferral slip when I looked at it
13 this morning. So I, I thought I read that it was being
14 deferred to next year. Apparently I was greatly
15 mistaken.

16 **COMMISSIONER EDGAR:** Mr. Hinton, nobody goes
17 under the bus. I just wanted to make sure that I was
18 clear as to, as to what we were doing. And, Mr. Chair,
19 I appreciate the opportunity to do that.

20 **CHAIRMAN GRAHAM:** Thank you, Commissioner
21 Edgar.

22 So, legal, is there anything that we need to
23 do as far as my deferral, or are we --

24 **MS. HELTON:** I think with the discussion on
25 the record today that it's clear that no decision was

1 made by this, by this body to defer it until next year
2 and that there will be an opportunity for you all to
3 vote on that once the Court has lifted the stay or
4 otherwise ruled and allowed you to vote on all FPL
5 items.

6 **CHAIRMAN GRAHAM:** Sounds good.

7 Anything else from the board? Seeing none,
8 can I get a motion? Commissioner Edgar.

9 **COMMISSIONER EDGAR:** Thank you, Mr. Chair.
10 If, if there are no questions on any of the specific
11 issues that are before us, I can move the Staff
12 recommendation for this issue, recognizing that we have
13 deferred decision on Issue 3A.

14 And before I relinquish the floor, I would
15 like to make a more general comment. A couple years
16 back when we as a Commission approved the need
17 determination for this plant, we knew that it was a
18 long-term, or for this proposal, we knew that it was a
19 long-term commitment by the company, but also by the
20 state as part of an energy policy for the state striving
21 for energy independence, carbon reduction and fuel
22 diversity.

23 I also note that it is a commitment by the
24 customers who are basically paying forward for future
25 benefits, and the intergenerational inequities continue

1 to be a concern. With that in mind, I continue, as we
2 have discussed at this bench before, to urge pursuit of
3 joint ownership. And I certainly also would express my
4 own preference for joint ownership, if indeed that can
5 occur, to be a partnership within Florida so that the
6 benefits over the long-term accrue to Florida and
7 Floridians.

8 And with that, again, Mr. Chair, I would move
9 Staff on all issues before us except for Issue 3A.

10 **COMMISSIONER SKOP:** Second.

11 **CHAIRMAN GRAHAM:** It's been moved and seconded
12 to move all issues, move Staff recommendation on all
13 issues on Item 12 except for Issue 3A that has already
14 been deferred, and it's been seconded. Any further
15 discussion?

16 Seeing none, all in favor, say aye.

17 (Unanimous vote.)

18 Those opposed. By your action, you've
19 approved Item 12, all issues except for 3A. Thank you,
20 Staff.

21 (Agenda item concluded.)

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STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, LINDA BOLES, RPR, CRR, 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 1st day of November, 2010.

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