

**Diamond Williams**

100437-EI

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**Sent:** Tuesday, May 17, 2011 8:29 AM  
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**Subject:** Docket No. 100437-EI  
**Attachments:** FIPUG Response to PEF motion to defer.pdf

Electronic Filing

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b. Docket No. 100437-EI, Examination of the outage and replacement fuel/power costs associated with the CR3 steam generator replacement project, by Progress Energy Florida, Inc.

c. The document is filed on behalf of the Florida Industrial Power Users Group

d. There are a total of 3 pages.

e. The document is: FIPUG's Response to PEF's Motion to Defer.

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**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

Examination of the outage and replacement  
fuel/power costs associated with the CR3  
steam generator replacement project, by  
Progress Energy Florida, Inc.

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Docket No. 100437-EI

Filed: May 17, 2011

**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S  
RESPONSE TO PEF'S MOTION TO DEFER**

The Florida Industrial Power Users Group (FIPUG), pursuant rule 28-106.204 files its Response to Progress Energy Florida, Inc.s' (PEF) Motion to Defer May 19 Filing and May 23 Status Conference. FIPUG states:

1. In this docket, the Commission will consider the prudence and reasonableness of PEF's actions regarding the extended outage at its Crystal River 3 nuclear plant (CR3). The outage resulted from a steam generation replacement project during which cracks in the CR3 containment building were discovered. Recently, additional cracks have been discovered. This lengthy outage began in September 2009 and CR3 remains out of service today; that is, the CR3 unit, which provides low cost energy to consumers, has now been out of service for over a 1 ½ years.

2. The Prehearing Officer entered Order No. PSC-11-0208-PCO-EI on April 26<sup>th</sup>. The Order directed PEF to file an updated status report on May 19, 2011 and to attend a status conference on May 23<sup>rd</sup> regarding the status of CR3 and the second delamination event.

3. PEF has now requested an extension of over thirty (30) days for these two events.

4. As FIPUG has previously noted in other filings in this docket, it is very concerned with the open-ended nature of this matter and the on-going CR3 outage resulting in many millions of dollars of replacement fuel costs. In addition, FIPUG remains concerned that over

the objection of the Office of Public Counsel, the Attorney General, FIPUG, and other intervenors, the Commission voted to allow PEF to collect its total replacement power costs related to the CR3 outage from ratepayers and directed that these costs be incorporated into the 2011 factor. Thus, consumers are now being charged for over \$160 million in CR3 replacement power costs *before* the Commission has even determined if such costs are reasonable or prudent in light of the circumstances surrounding the extended outage.

5. FIPUG recognizes the extent and seriousness of this outage and the need for PEF to proceed with all due care. However, FIPUG remains concerned regarding an open-ended schedule with no resolution in sight.

6. FIPUG urges the Commission to move as deliberately as possible to gather all information regarding the CR3 situation and estimates of its return to service, particularly because ratepayers are now being charged over \$160 million in rates without any showing that PEF's actions related to the CR3 outage were prudent.

s/ Vicki Gordon Kaufman

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Group

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing The Florida Industrial Power Users Group Response to PEF's Motion to Defer was served by Electronic Mail and United States Mail this 17<sup>th</sup> day of May, 2011, to the following:

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