

**Diamond Williams**

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**Sent:** Monday, June 27, 2011 4:18 PM  
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**Subject:** FILING: DOCKET NO. 100437-EI  
**Attachments:** Docket 100437 Status Report.pdf

Electronic Filing:

a. The person responsible for this electronic filing is:

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

c. This filing is being made on behalf of Progress Energy Florida, Inc.

d. There are a total of three (3) pages in the attached document

e. The document is Progress Energy Florida, Inc.'s Status Report Regarding Docket No. 100437-EI

Thank you.

6/27/2011

DOCUMENT NUMBER-DATE

0443 | JUN 27 =

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 100437-EI  
Filed: June 27, 2011

PROGRESS ENERGY FLORIDA, INC.'S STATUS REPORT REGARDING  
DOCKET NO. 100437-EI

Pursuant to Order PSC-11-0230-PCO-EI ("Order"), Progress Energy Florida ("PEF") is required to file a status update with the Commission regarding Crystal River Unit 3 ("CR3") no later than June 27, 2011 detailing "a description of how far along PEF is in its engineering analysis of the second delamination; a best estimate of the time it will take to complete the engineering analysis; a current best estimate of the time it will take to bring CR3 back into commercial service; and a discussion of PEF's ability to satisfy its projected loads using existing capacity resources." Order at 2. Accordingly, PEF hereby submits the following in compliance with the Order:

**PEF's Analysis of the Second Delamination and Repair Option**

PEF has completed its analysis of the cause of the second delamination event at CR3. The Company has determined that the second delamination occurred following one of the final stages of retensioning the containment building. The delamination occurred in a different bay (Bay 5-6) than the first delamination, but was similar to the first delamination in size and depth. The second delamination resulted from tensile stresses above the tensile capacity of the concrete. The increased stress due to retensioning resulted in cracking at the high stress concentration area of the tendons. As the cracks propagated and joined, delamination occurred over a wide area in Bay 5-6.

In addition to this root cause analysis, PEF has performed a technical and economic analysis of whether to retire CR3, and what, if any, options may exist to repair the facility. As part of its review of potential repair options, the Company analyzed the cost and schedule, licensing and technical feasibility, and constructability of potential repairs based on the best information available to it at this time. PEF engaged industry experts in various disciplines from inside and outside the Company to assist in this review. Based on that analysis, the Company selected the best repair option. The option would entail systematically removing and replacing concrete in the containment structure walls. The planned option does not include the area where concrete was replaced during the initial repair.

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Once PEF selected the optimal repair option, PEF analyzed that option against decommissioning the CR3 unit. The results of that analysis showed that, on a quantitative and qualitative basis, repairing the unit is the best option rather than decommissioning the plant. The Company is moving forward systematically and will perform additional detailed engineering analyses and designs, which could affect any final repair plan. This process will lead to more certainty for the cost and schedule of the repair. The Company will continue to refine and assess the plan (and the prudence of continuing to pursue it) based on new developments and analyses as the process moves forward. A number of factors could affect the repair plan, the return-to-service date and costs, including regulatory reviews, the ultimate work scope, engineering designs, testing, weather and other developments.

### **PEF's Estimated Repair Costs and Return to Service**

Based on the Company's initial estimates, the selected repair would be completed and CR3 would return to service in 2014. Preliminary costs estimates for the repair are between \$900 million and \$1.3 billion. The Company maintains insurance, which provides coverage for these costs. As discussed above, however, a number of factors could affect the repair plan, the return-to-service date, and costs, including regulatory reviews, ultimate work scope, engineering designs, testing, weather and other developments.

### **PEF's Ability to Satisfy Projected Loads**

Based on PEF's current projections, PEF anticipates that it will be able to satisfy its projected loads over the time in which CR3 is being repaired with existing capacity resources, including opportunities to purchase available power as may be applicable.

Respectfully submitted this 27<sup>th</sup> day of June, 2011.

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s/ Blaise N. Huhta

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic and U.S. Mail this 27th day of June, 2011 to all parties of record as indicated below.

s/ Blaise N. Huhta  
ATTORNEY

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