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Subject: Docket No. 110009-EI, Nuclear Cost Recovery Clause
Attachments: Prehearing Statement (NCRC) 2011.pdf

In accordance with the electronic filing procedures of the Florida Public Service Commission, the following filing is made:

- a. The name, address, telephone number and email for the person responsible for the filing is:
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- b. This filing is made in Docket No. 110009-EI.
- c. The document is filed on behalf of SACE.
- d. The total Pages in the document are 17 pages.
- e. The attached document is SACE's Prehearing Statement.

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DOCUMENT NUMBER-DATE

05133 JUL 25 =

FPSC-COMMISSION CLERK

7/25/2011

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Plant Cost)
Recovery Clause)
)
_____)

DOCKET NO. 110009-EI
FILED: July 25, 2011

**THE SOUTHERN ALLIANCE FOR CLEAN ENERGY'S
PREHEARING STATEMENT**

The Southern Alliance for Clean Energy ("SACE"), by and through its undersigned counsel, and pursuant to Order No. PSC-11-0179-PCO-EI, Order Establishing Procedure, as modified by Order No. PSC-11-0245-PCO-EI, First Order Revising Order Establishing Procedure, hereby submits its Prehearing Statement in regards to the above-styled docket.

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05133 JUL 25 =

FPSC-COMMISSION CLERK

WITNESSES FOR 2010 FPL SPECIFIC ISSUES¹

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Dr. Mark Cooper	The long-term feasibility of completion of FP&L's proposed TP 6 & 7 project; the prudence/reasonableness of continuing to pursue CO license from the NRC for this project; the prudence/reasonableness of incurring additional costs on the TP 6 & 7 project and/or recovering those costs from ratepayers	2, 3, 3A 7
Arnold Gundersen	The long-term feasibility of completion of FP&L's proposed TP 6 & 7 project; the prudence/reasonableness of continuing to pursue COL license from the NRC for this project; the prudence/reasonableness of incurring additional costs on the TP 6 & 7 project and/or recovering those costs from ratepayers	2, 3, 3A, 7

PREFILED EXHIBITS FOR 2010 FPL SPECIFIC ISSUES

<u>Exhibit</u>	<u>Sponsoring Witness</u>	<u>Description</u>
MNC-1	Cooper	Risk Factors Facing Construction of New Nuclear Reactors
MNC-2	Cooper	Unrealistic Assumptions Masking the Real Economics of Nuclear Reactors
MNC-3	Cooper	Increasing Risks Facing Nuclear Reactor Construction Projects
MNC-4	Cooper	Negative Events in the Nuclear Renaissance
MNC-5	Cooper	Exelon's View of the Deteriorating Nuclear As a Carbon Abatement Option
MNC-6	Cooper	Projected Natural Gas Prices Compared to EIA Projections

¹ Dr. Cooper and Mr. Gundersen, on behalf of SACE, submitted prefiled testimony in docket 100009-EI relating to both FPL and PEF. On September 7, 2010, the Commission approved FPL's Motion to defer resolution of all 2010 FPL-specific issues until the 2011 NCRC. Therefore, while Dr. Cooper and Mr. Gundersen have not submitted prefiled testimony in this docket, they are listed here for purposes of the FPL-specific issues which were deferred from the 2010 docket.

MNC-7	Cooper	The Decade of Volatile Natural Gas Prices May Have Been the Exception, Not the Rule
MNC-8	Cooper	Declining Peak Load Projections (Progress)
MNC-9	Cooper	Declining Peak Load and Capacity Needs (Progress)
MNC-10	Cooper	Declining Peak Load Projections (FPL)
MNC-11	Cooper	Declining Peak Load and Capacity Requirements (FPL)
MNC-12	Cooper	Projections of Projected Carbon Compliance Costs
MNC-13	Cooper	Projections of Overnight Construction Costs
MNC-14	Cooper	Declining Cost of Renewables
MNC-15	Cooper	Flexible Gas Additions Lower Revenue Requirements
MNC-16	Cooper	Cumulative Cost Difference: Flexibility v. Lumpy Treatment of Natural Gas Generation Additions
MNC-17	Cooper	Nuclear Construction Pressures Capital Requirements
MNC-18	Cooper	Overnight Costs as a Predictor of Net Savings: FPL
MNC-19	Cooper	The Risk of Nuclear Reactors in the Eyes of Industry Analysts
MNC-20	Cooper	The Resume of Dr. Mark Cooper
AG-1	Gundersen	Curriculum Vitae of Arnold Gundersen
AG-2	Gundersen	Sun-Sentinel FPL Olivera
AG-3	Gundersen	FPL Press Release 01-2010
AG-4	Gundersen	NRC to Westinghouse 10-09
AG-5	Gundersen	Westinghouse Schedule 6-21-2010
AG-6	Gundersen	2010-05-28 FPL –TPN- NRC

STATEMENT OF BASIC POSITION

Section 366.93, F.S., provides for advance cost recovery of certain costs for utilities engaged in the “siting, design, licensing, and construction” of nuclear power plants, including new nuclear power plants. In Order No. PSC-11-0095-FOF-EI, the Commission interpreted this statutory provision to require that a utility “must continue to demonstrate *its intent to build the nuclear power plant* for it seeks advance recovery of costs to be in compliance with Section 366.93, F.S.” Order at 9 (emphasis added). In the current docket, the testimony of PEF and FPL witnesses paying lip service to the Commission’s intent requirement in regards to the LNP or the Turkey Point 6 & 7 units (“proposed new nuclear projects”) is wholly undermined by the activities of both FPL and PEF. Due to the great uncertainty and risk surrounding new nuclear development in the United States, which has been greatly exacerbated by, amongst other factors, the Fukushima nuclear disaster in Japan, PEF and FPL both continue their approach announced last year of delaying major capital expenditures on these proposed new nuclear projects for the near term and instead focusing completely upon obtaining Combined Operating Licenses (“COL”) from the Nuclear Regulatory Commission (“NRC”). This “non-construction” approach on the part of both PEF and FPL fails to demonstrate the requisite intent to actually construct the new nuclear projects, and, as a result, the utilities are not in compliance with the mandate of Section 366.93, F.S.

Furthermore, Rule 25-6.0423(5)(c)5, F.A.C., explicitly and unequivocally requires PEF and FPL to submit for Commission review and approval a detailed analysis demonstrating the long-term feasibility of completing these proposed new nuclear projects. The testimony of

SACE expert witnesses Mark Cooper, Ph.D., and Arnold Gundersen in docket 100009-EI as it pertains to FPL, as well as testimony by witnesses for the utilities, staff, and OPC in the current docket, establishes that both PEF and FPL have failed to meet their burden to demonstrate the long-term feasibility of these proposed new projects. Therefore, burdening ratepayers with further costs for these projects would not be fair, just, or reasonable.

In the 2009 Nuclear Cost Recovery hearing (Docket 090009-EI), SACE alerted the Commission to the great uncertainty and risk surrounding the feasibility of PEF's these proposed new nuclear projects. SACE warned the Commission that this uncertainty and risk would result in significant scheduling delays for the proposed reactors and significant increases in the total costs, and moreover would adversely affect the feasibility of these proposed new nuclear projects. However, PEF and FPL refused to acknowledge this uncertainty and risk and the resulting adverse impacts at the hearing. In 2010, and now again in 2011, both PEF and FPL have belatedly acknowledged the great uncertainty and risk surrounding the feasibility of ever completing these proposed new nuclear reactors. In 2011, this uncertainty and risk have significantly increased as a result of, amongst other factors, the Fukushima nuclear disaster in Japan, and the resulting waning public support for construction of new nuclear generation. As a result, both PEF and FPL continue to endeavor on a "non-construction" approach under the guise of keeping ratepayer rates as low as possible. Nevertheless, as a result of the utilities' failure to acknowledge what was already apparent in 2009, PEF and FPL ratepayers are on the hook for billions of dollars spent on reactors which likely will never be constructed.

It is the responsibility of the Commission to fix "fair, just and reasonable" rates for Florida ratepayers. Fla. Stat. § 366.06. In this docket, because FPL and PEF have failed to demonstrate the requisite intent to construct these proposed new nuclear projects, or the long-

term feasibility of completing these new projects, the utilities have as a result failed to demonstrate that the costs for which they seek recovery for 2011 and 2012 are reasonable and/or prudent. As a result, the Commission should deny both FPL and PEF's requested cost recovery for 2011 and 2012, as is it would be unfair, unjust, and unreasonable for the Commission to allow the utilities to incur further expenses for these proposed new reactors, or to recover those expenses from Florida ratepayers, until PEF and FPL themselves demonstrate the feasibility of the proposed new reactors, as well as the requisite intent to actually build the proposed new reactors.

STATEMENT OF ISSUES AND POSITIONS

Issue A : Should the Commission defer its decision regarding the long-term feasibility of completing the Crystal River Unit 3 (CR3) Extended Power Uprate (EPU) project and the reasonableness of PEF's 2011 and 2012 ongoing construction expenditures, including associated carrying charges?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

FPL Specific Issues

Issue 1: Should any FPL 2010 Nuclear Cost Recovery Clause rate-case type expenses be disallowed from recovery?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 2: (*Legal*): Do FPL's activities through 2010 related to Turkey Point Units 6 & 7 qualify as "siting, design, licensing, and construction" of a nuclear power plant as contemplated by Section 366.93, F.S.?

SACE Position: No. FPL's activities through 2010 fail to demonstrate the requisite intent to actually construct the Turkey Point 6 & 7 Units. Rather, FPL's filings through 2010, as well as public statements made by FPL officials, demonstrate that FPL was, and still is, only engaged in an attempt to obtain the requisite federal, state, and local licenses for the Turkey Point 6 & 7 units. No final decision to proceed with construction of the Turkey Point 6 & 7 Units has been made.

Issue 3: Should the Commission approve what FPL has submitted as its 2010 and 2011 annual detailed analyses of the long-term feasibility of completing the Turkey Point 6 & 7 project, as provided for in Rule 25-6.0423, F.A.C? If not, what action, if any, should the Commission take?

SACE Position: No. FPL has failed to complete, and properly analyze, a realistic feasibility assessment that properly takes into account important changes in key variables which have adversely impacted the feasibility of new nuclear reactors, including, but not limited to: declining natural gas costs; declining estimates of cost of carbon; other enterprise risks; impacts of Fukushima nuclear disaster; and the true impact of efficiency and renewables.

The Commission should deny cost recovery for FPL's 2010, 2011, and 2012 costs.

Issue 3A: Was FPL's 2010 decision to continue pursuing a Combined Operating License from the Nuclear Regulatory Commission for Turkey Point Units 6 & 7 reasonable? If not, what action, if any, should the Commission take?

SACE Position: No. It was, and still is, unreasonable for FPL to continue to incur significant additional costs on the licensing of the proposed Turkey Point Units 6 & 7, and pass these costs on to its ratepayers, with no real demonstrated intent to actually construct the reactors and with no demonstration of the long-term feasibility of completing the reactors.

Given this failure to demonstrate the requisite intent to build Turkey Point Units 6 & 7, as well as the feasibility of the same, the Commission should not approve recovery of any additional costs.

*Issue 4: What is the current total estimated all-inclusive cost (including AFUDC and sunk costs) of the proposed Turkey Point Units 6 & 7 nuclear project and is that reasonable?

SACE Position: The current total estimated all-inclusive cost of the proposed Turkey Point 6 & 7 nuclear project is not reasonable, as FPL has not demonstrated the requisite intent to actually construct the project, nor has it demonstrated that the project is feasible in the long term.

*Issue 5: What is the current estimated planned commercial operation date of the planned Turkey Point Units 6 & 7 nuclear facility and is that reasonable?

SACE Position: It is unreasonable for FPL to charge ratepayers billions of dollars for a project with an estimated commercial operation date over ten years away, especially in light of the fact that said date is likely to only slip further.

Issue 6: Should the Commission find that for years 2009 and 2010 FPL's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Turkey Point Units 6 & 7 project?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 7: What system and jurisdictional amounts should the Commission approve as FPL's final 2009 and 2010 prudently incurred costs and final true-up amounts for the Turkey Point Units 6 & 7 project?

SACE Position: For 2010, none. FPL has not demonstrated that completion of the Turkey Point 6 & 7 project is feasible in the long-term as required by Rule 25-6.0423(5)(c)5, F.A.C., therefore no such costs could be reasonably estimated and/or incurred.

Issue 8: What system and jurisdictional amounts should the Commission approve as reasonably estimated 2011 costs and estimated true-up amounts for FPL's Turkey Point Units 6 & 7 project?

SACE Position: None. FPL has not demonstrated that completion of the Turkey Point 6 & 7 project is feasible in the long-term as required by Rule 25-6.0423(5)(c)5, F.A.C., therefore no such costs could be reasonably estimated and/or incurred.

Issue 9: What system and jurisdictional amounts should the Commission approve as reasonably projected 2012 costs for FPL's Turkey Point Units 6 & 7 project?

SACE Position: None. FPL has not demonstrated that completion of the Turkey Point 6 & 7 Units is feasible in the long-term as required by Rule 25-6.0423(5)(c)5, F.A.C., therefore no such costs could be reasonably projected and/or incurred.

Issue 10: Should the Commission approve what FPL has submitted as its 2010 and 2011 annual detailed analyses of the long-term feasibility of completing the Extended Power Uprate project, as provided for in Rule 25-6.0423, F.A.C.? If not, what action, if any, should the Commission take?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

*Issue 10A: Should the Commission accept the quantitative methodology that FPL employed to assess the long-term feasibility of the EPU project?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

*Issue 10B: Should the Commission require FPL to perform separate long-term feasibility analyses for the Turkey Point and St. Lucie uprate activities?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 11: Should the Commission find that for the years 2009 and 2010 FPL's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Extended Power Uprate project?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 12: What system and jurisdictional amounts should the Commission approve as FPL's final 2009 and 2010 prudently incurred costs and final true-up amounts for the Extended Power Uprate project?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 13: What system and jurisdictional amounts should the Commission approve as reasonably estimated 2011 costs and estimated true-up amounts for FPL's Extended Power Uprate project?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 14: What system and jurisdictional amounts should the Commission approve as reasonably projected 2012 costs for FPL's Extended Power Uprate project?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 15A: Did FPL willfully withhold information concerning the estimated capital costs of its EPU uprate projects and its related long-term study of the feasibility of the EPU uprates that is required by rule 25-6.0423, F.A.C., and that the Commission needed to make an informed decision at the time of the September 2009 hearing in Docket No. 090009-EI?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 15B: If the answer is yes, does the Commission possess statutory and regulatory authority with which to address FPL's withholding of information?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 15C: In light of the determinations in Issues 15A and 15B, what action, if any, should the Commission take?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

*Issue 16: Was it prudent for FPL to undertake the EPU projects at Turkey Point and St. Lucie on a “fast track” basis?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

*Issue 17: Was it prudent for FPL to undertake the EPU projects at Turkey Point and St. Lucie in the absence of a break-even calculation?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

*Issue 18: If the Commission finds FPL was imprudent in Issues 16 or 17, what action can and should the Commission take?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 19: What is the total jurisdictional amount to be included in establishing FPL’s 2012 Capacity Cost Recovery Clause factor?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

PEF Specific Issues

Issue 20: Should the Commission approve what PEF has submitted as its 2011 annual detailed analysis of the long-term feasibility of completing the Levy Units 1 & 2 project, as provided for in Rule 25-6.0423, F.A.C? If not, what action, if any, should the Commission take?

SACE Position: No. PEF has failed to complete, and properly analyze, a realistic feasibility assessment that properly takes into account important changes in key variables which have adversely impacted the feasibility of new nuclear reactors, including, but not limited to: declining natural gas costs; declining estimates of cost of carbon; other enterprise risks; impacts of Fukushima nuclear disaster; and the true impact of efficiency and renewables.

The Commission should deny cost recovery for PEF’s 2011 and 2012 costs.

*Issue 21: What is the total estimated all-inclusive cost (including AFUDC and sunk costs) of the proposed Levy Units 1 & 2 nuclear project and is this reasonable?

SACE Position: The current total estimated all-inclusive cost of the proposed Turkey Point 6 & 7 nuclear project is not reasonable, as FPL has not demonstrated the requisite intent to

actually construct the project, nor has it demonstrated that the project is feasible in the long term.

*Issue 22: What is the estimated planned commercial operation date of the planned Levy Units 1 & 2 nuclear facility and is this reasonable?

SACE Position: It is unreasonable for PEF to charge ratepayers billions of dollars for a project with an estimated commercial operation date ten years away, especially in light of the fact that said date is likely to only slip further.

Issue 23: Do PEF's activities to date related to Levy Units 1 & 2 qualify as "siting, design, licensing, and construction" of a nuclear power plant as contemplated by Section 366.93, F.S.?

SACE Position: No. PEF's activities to date fail to demonstrate the requisite intent to actually construct the LNP. Rather, PEF's activities, as well as public statements made by PEF officials, demonstrate that PEF is engaged only in an attempt to obtain the requisite federal, state, and local licenses for the LNP. No final decision to proceed with construction of the LNP has been made.

Issue 24: Should the Commission find that for the year 2010, PEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Levy Units 1 & 2 project? If not, what action, if any, should the Commission take?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 25: What system and jurisdictional amounts should the Commission approve as PEF's final 2010 prudently incurred costs and final true-up amounts for the Levy Units 1 & 2 project?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

*Issue 26: Should the Commission approve for recovery in 2012 any estimated 2011 and 2012 costs necessary for receipt of the Combined License (COL) for Levy Units 1 & 2? If not, what action can and should the Commission take with respect to these costs?

SACE Position: No. PEF's activities to date fail to demonstrate the requisite intent to actually construct the LNP. As such, PEF is not engaged in the "siting, design, licensing and construction" of a nuclear power plant.

Given this failure to demonstrate the requisite intent to build the LNP, as well as the feasibility of the same, the Commission should not approve recovery of any additional costs.

Issue 27: What system and jurisdictional amounts should the Commission approve as reasonable actual/estimated 2011 costs and estimated true-up amounts for PEF's Levy Units 1 & 2 project?

SACE Position: None. PEF has not demonstrated that completion of the Levy Units 1 & 2 is feasible in the long-term as required by Rule 25-6.0423(5)(c)5, F.A.C., therefore no such costs could be reasonably estimated and/or incurred.

Issue 28: What system and jurisdictional amounts should the Commission approve as reasonably projected 2012 costs for PEF's Levy Units 1 & 2 project?

SACE Position: None. PEF has not demonstrated that completion of the Levy Units 1 & 2 is feasible in the long-term as required by Rule 25-6.0423(5)(c)5, F.A.C., therefore no such costs could be reasonably projected and/or incurred.

Issue 29: Should the Commission approve what PEF has submitted as its 2011 annual detailed analysis of the long-term feasibility of completing the Crystal River Unit 3 Uprate project, as provided for in Rule 25-6.0423, F.A.C? If not, what action, if any, should the Commission take?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

*Issue 30: Should the Commission approve as prudent any costs incurred between October 2, 2009 and December 31, 2010 for the Crystal River Unit 3 Uprate project?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 31: For the years 2009 and 2010, should the Commission find PEF reasonably and prudently managed its Crystal River Unit 3 Uprate license amendment request? If not, what dollar impact did these activities have on 2009 and 2010 incurred costs?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 32: Should the Commission find that for 2010, PEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Crystal River Unit 3 Uprate project? If not, what action, if any, should the Commission take?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 33: What system and jurisdictional amounts should the Commission approve as PEF's 2009 and 2010 prudently incurred costs for the Crystal River Unit 3 Uprate project?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 34: What system and jurisdictional amounts should the Commission approve as reasonable actual/estimated 2011 costs and estimated true-up amounts for PEF's Crystal River Unit 3 Uprate project?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 35: What system and jurisdictional amounts should the Commission approve as reasonably projected 2012 costs for PEF's Crystal River Unit 3 Uprate project?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 36: What amount from the deferred balance of the Rate Management Plan approved in Order No. PSC-09-0783-FOF-EI should the Commission approve for recovery in 2012?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

Issue 37: What is the total jurisdictional amount to be included in establishing PEF's 2012 Capacity Cost Recovery Clause factor?

SACE Position: No position at this time. SACE reserves the right to amend this position in accordance with the provisions of Order No. PSC-11-0179-PCO-EI.

STIPULATED ISSUES

None.

PENDING MOTIONS/OTHER MATTERS

None at the time of filing of this Prehearing Statement.

PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

SACE has no pending requests or claims for confidentiality.

OBJECTIONS TO WITNESS' QUALIFICATIONS AS AN EXPERT

None at this time.

COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

SACE has complied with all applicable requirements of Order No. PSC-11-0179-PCO-EI, Order Establishing Procedure, as modified by Order No. PSC-11-0245-PCO-EI, First Order Revising Order Establishing Procedure.

Dated: July 25, 2011

Respectfully Submitted,

/s/ James S. Whitlock

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CERTIFICATE OF SERVICE
Docket No. 110009-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing *SOUTHERN ALLIANCE FOR CLEAN ENERGY'S PREHEARING STATEMENT* has been furnished by electronic mail (e-mail) and/or U.S. Mail this the 25th day of July, 2011.

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