

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery
Clause

Docket No. 120009-EI
Submitted for filing: August 6, 2012

COMMISSION
CLERK

12 AUG -6 PM 11:03

RECEIVED FPSC

REDACTED

PROGRESS ENERGY FLORIDA, INC.'S PREHEARING STATEMENT

Pursuant to the Order Establishing Procedure, Progress Energy Florida, Inc. ("PEF" or the "Company") submits its Prehearing Statement and states as follows:

A. APPEARANCES:

R. ALEXANDER GLENN
Florida Bar No. 0097896
State Regulatory General Counsel
JOHN T. BURNETT
Florida Bar No. 173304
Associate General Counsel II
PROGRESS ENERGY FLORIDA
299 First Avenue, N., PEF-151
St. Petersburg, FL 33701
Telephone: (727) 820-5587
Facsimile: (727) 820-5519

JAMES MICHAEL WALLS
Florida Bar No. 0706272
BLAISE N. GAMBA
Florida Bar No. 0027942
MATTHEW R. BERNIER
Florida Bar No. 0059886
CARLTON FIELDS, P.A.
Post Office Box 3239
Tampa, FL 33601-3239
Telephone: (813) 223-7000
Facsimile: (813) 229-4133

COM _____
AFD 2 _____
APA | _____
ECO | _____
ENG | _____
GCL | _____
IDM | _____
TEL _____
CLK _____

B. WITNESSES AND EXHIBITS:

In identifying witnesses and exhibits herein, PEF reserves the right to call such other witnesses and to use such other exhibits as may be identified in the course of discovery and preparation for the final hearing in this matter.

1. WITNESSES.

Direct Testimony.

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
Will Garrett	March 1, 2012 testimony: Reasonableness and prudence of PEF's Crystal River Unit 3 ("CR3") Uprate ("CR3 Uprate") project actual costs for 2011 and Levy Nuclear Project ("LNP") actual costs for 2011. Reasonableness and prudence of PEF's CR3 Uprate and LNP accounting and cost oversight controls.	8, 9, 13, 15
Daryl O'Cain	March 1, 2012 testimony: Reasonableness and prudence of PEF's actual LNP costs for 2011. Reasonableness and prudence of project management, contracting and oversight controls for the LNP.	4, 8, 9
Thomas G. Foster	April 30, 2012 testimony: Presents for Commission review (i) actual/estimated costs for the LNP and CR3 Uprate project for January through December 2012; (ii) projected costs for the LNP and CR3 Uprate project for January 2013 through December 2013; (iii) the total estimated revenue requirements for 2013 for the purposes of setting the 2013 rates in the Capacity Cost Recovery Clause ("CCRC"); and (iv) the LNP rate management plan proposal.	6, 10, 11, 17, 18, 19
John Elnitsky	April 30, 2012 testimony: Reasonableness of PEF's LNP actual/estimated 2012 costs and projected 2013 costs. PEF's feasibility and implementation analyses and implementation	4, 5, 6, 7, 8, 10, 11

decision to extend the current project suspension and shift the expected in-service dates for the LNP to 2024 and 2025. The long-term feasibility of completing the LNP.

Jeff Lyash	April 30, 2012 testimony: Supports and explains PEF's management's decision to shift the expected in-service dates for the Levy nuclear power plants to 2024 and 2025.	4, 7
Jon Franke	March 1, 2012 testimony: Reasonableness and prudence of PEF's CR3 Uprate project actual costs for 2011. Reasonableness and prudence of project management, contracting and oversight controls for the CR3 Uprate project.	12, 13, 14, 15, 16, 17, 18
	April 30, 2012 testimony: Reasonableness of PEF's actual/estimated costs for 2012 and projected costs for 2013 for the CR3 Uprate project; long-term feasibility analysis of completing the CR3 Uprate project.	

Rebuttal Testimony.

<u>Witness</u>	<u>Subject matter</u>	<u>Issues</u>
Jon Franke	Rebuttal of OPC witness Jacobs' testimony regarding CR3 Uprate project 2012 estimated and 2013 projected costs and project schedule.	12, 13, 14, 15, 16, 17, 18

2. DIRECT TESTIMONY EXHIBITS.

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
WG-1	Will Garrett	CONFIDENTIAL - Schedules T-1 through T-7B of the Nuclear Filing Requirements ("NFRs") and Appendices A through D, which reflect PEF's retail revenue requirements for the LNP from January 2011 through December 2011 (Daryl O'Cain sponsoring portions of schedules T-4, T-4A, T-6, as well as Appendix D, and sponsoring schedules T-6A through T-7B);

WG-2	Will Garrett	CONFIDENTIAL - Schedules T-1 through T-7B of the NFRs and Appendices A through D, which reflect PEF's retail revenue requirements for the CR3 Uprate project from January 2011 through December 2011 (Jon Franke sponsoring portions of schedules T-4, T-4A, T-6, as well as Appendix D, and sponsoring schedules T-6A through T-7B).
TGF-1	Thomas G. Foster	CONFIDENTIAL - Schedules AE-1 through AE-7B of the NFRs and Appendices A through F which reflect PEF's retail revenue requirements for the LNP from January 2012 through December 2012 (John Elnitsky sponsoring portions of schedules AE-4, AE-4A, and AE-6 and sponsoring schedules AE-6A through AE-7B);
TGF-2	Thomas G. Foster	CONFIDENTIAL - Schedules P-1 through P-8 of the NFRs and Appendices A through E, which reflect PEF's projected retail revenue requirements for the LNP for January 2013 through December 2013 (John Elnitsky sponsoring portions of P-4, P-6 and sponsoring P-6A through P-7B);
TGF-3	Thomas G. Foster	CONFIDENTIAL - Schedule TOR-1 through TOR-7, which reflect the total project estimated costs for the LNP up to the in-service date (John Elnitsky sponsoring portions of TOR-4, TOR-6 & sponsoring TOR-6A and TOR-7);
TGF-4	Thomas G. Foster	CONFIDENTIAL - Schedules AE-1 through AE-7B of the NFRs and Appendices A through E, which reflect PEF's retail revenue requirements for the CR3 Uprate Filing from January 2012 through December 2012 (Jon Franke sponsoring portions of Schedules AE-4, AE-4A, AE-6.3 and Appendix B, and sponsoring schedules AE-6A.3 through AE-7B);
TGF-5	Thomas G. Foster	CONFIDENTIAL - Schedules P-1 through P-8 of the NFRs and Appendices A through E, which reflect PEF's projected retail revenue requirements for the CR3 Uprate filing for January 2013 through December 2013 (Jon Franke sponsoring portions of P-4 , P-6.3, and sponsoring P-6.3A through P-7B);

TGF-6	Thomas G. Foster	Schedules TOR-1 through TOR-7 of the NFRs, which reflect the total estimated costs for the CR3 Uprate project up to the in-service date (Jon Franke sponsoring portions of TOR-4 and TOR-6 and sponsoring schedules TOR-6A and TOR-7).
JE-1	John Elnitsky	CONFIDENTIAL – Integrated Project Plan (“IPP”) Revision 4 for the LNP;
JE-2	John Elnitsky	PEF’s updated cumulative present value revenue requirements (“CPVRR”) calculation for the LNP compared to the cost effectiveness analysis presented in the Need Determination proceedings for Levy Units 1 and 2;
JE-3	John Elnitsky	Florida Legislative Office of Economic and Demographic Research (“EDR”) March 2012 Florida Economic Overview;
JE-4	John Elnitsky	Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-12-0104-FOF-EI;
JE-5	John Elnitsky	Nuclear Regulatory Commission (“NRC”) review schedule for LNP Combined Operating License Application (“COLA”);
JE-6	John Elnitsky	Updated, graphic illustration of the steps and timing of the PEF LNP COLA review hearing process;
JE-7	John Elnitsky	CONFIDENTIAL – Chart of PEF’s long lead equipment (“LLE”) purchase order (“PO”) disposition status.
JF-1	Jon Franke	NRC acceptance review letter for the Extended Power Uprate (“EPU”) License Amendment Request (“LAR”) for the CR3 Uprate project;
JF-2	Jon Franke	IPP Interim Approval 3A (Short Form) for the CR3 Uprate project;
JF-3	Jon Franke	Description of the engineering scope changes for the EPU phase work and a schedule identifying the phased work scope to successfully implement the power uprate for the CR3 Uprate project;

JF-4	Jon Franke	PEF's updated CPVRR analysis for the CR3 Uprate project;
JF-5	Jon Franke	February 2012 EPU Options Update.

3. REBUTTAL TESTIMONY EXHIBITS.

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
JF-6	Jon Franke	Chart summarizing the PEF projected 2013 CR3 Uprate project costs for the following EPU work: (i) license application; (ii) LLE procurement, contractual progress payments and related vendor contract management and quality control; and (iii) design engineering and related project management work;
JF-7	Jon Franke	PEF's CR3 Uprate project schedule for completion of the EPU work.

C. PEF'S STATEMENT OF BASIC POSITION:

Levy Nuclear Project.

On August 12, 2008, the Commission issued Order No. PSC-08-0518-FOF-EI, granting PEF's petition for a determination of need for the construction of Levy Nuclear Units 1 and 2 and related facilities, including transmission facilities. The LNP will consist of two Westinghouse AP1000 nuclear-fueled generating units. The LNP will generate more than 2,000 megawatts of new nuclear generation for the benefit of PEF and its customers.

PEF performed work and incurred preconstruction and construction costs on the following activities for the LNP in 2011: (1) licensing, (2) engineering, design and procurement, (3) project management, (4) real estate acquisition, (5) transmission, and (6) power block engineering and procurement. In 2011 these LNP costs were incurred in connection with licensing application activities to support the Levy COLA to the NRC, engineering activities in support of the COLA, and activities under PEF's LNP Engineering, Procurement and Construction ("EPC") contract with Westinghouse, Shaw, Stone and Webster (the "Consortium"). In addition, costs were incurred for LNP transmission strategic land acquisitions.

As the Company explained last year, the Company evaluates the LNP each year and reviews any major change in the project enterprise risks or project schedule, scope, or cost as

part of its on-going obligation to prudently manage the LNP. This evaluation includes the annual feasibility analysis of completing the LNP, but the Company also takes a broader view to determine how to complete the LNP in the best interests of the Company and its customers.

As discussed in the pre-filed direct testimony of Mr. John Elnitsky, after this evaluation, the LNP Program Management Team (“PMT”) determined that the LNP is feasible, both from a qualitative and quantitative perspective, but there is increased near term uncertainty and, thus, increased near term enterprise risks with respect to immediate implementation of a decision to construct the LNP. As a result of this determination, the LNP PMT evaluated whether implementation of the LNP consistent with the 2010 and 2011 LNP program of record, or an extension of the current project suspension, was in the best interests of the Company’s customers. Based on this determination, the LNP PMT recommended that the Company implement an extension of the current project suspension.

The Senior Management Committee (“SMC”) accepted the recommendation and decided that a longer term project suspension is in the best interests of the Company and its customers. The Company determined the best decision for PEF and its customers was to build the LNP at a later date, with expected commercial in-service dates for Levy Unit 1 in 2024 and Levy Unit 2 in 2025. This decision mitigates near-term uncertainty and enterprise risks. The SMC decision is reflected in the approval of the IPP, Revision 4, for the LNP. The SMC decision is also explained by Mr. Jeff Lyash in his pre-filed direct testimony filed April 30, 2012.

PEF has incurred LNP costs during the first quarter of 2012, and has estimated the project costs necessary for the remainder of 2012 and 2013. The Company’s actual/estimated 2012 and projected 2013 LNP costs are consistent with the Company’s decision and the Company’s current settlement agreement approved by the Commission. The Company will continue work necessary to obtain the LNP Combined Operating License (“COL”) from the NRC in 2012 and 2013. This work includes licensing and engineering work to address the NRC Fukushima Near Term Task Force recommendations. It also includes the licensing and engineering work to support the Company during the contested and mandatory hearing process. After this process is complete, and the Company obtains the LNP COL from the NRC, additional licensing and engineering work is necessary to maintain the COL. This will include licensing and engineering work associated with the review of standard design changes, and updates to the license to reflect design changes.

Licensing and engineering work is also necessary in 2012 and 2013 to continue to support environmental permitting and implementation of conditions of certification (“CoC”). Some work on strategic land acquisitions for transmission lines will also continue in 2012 and 2013. The Company will incur some incremental LLE disposition and storage costs based on the schedule extension, and continued LLE milestone payments, Quality Assessment (“QA”), and vendor oversight activities associated with the continued LLE for the LNP. Additional Consortium Project Management Organization (“PMO”) costs are also expected in 2012 and 2013 as a result of this continued work scope.

Pursuant to Section 366.93, Florida Statutes, and Rule 25-6.0423, F.A.C., PEF filed a petition on March 1, 2012, for cost recovery of its LNP costs. PEF filed NFR schedules,

specifically Schedules T-1 through T-7B, in support of PEF's actual costs for 2011. In addition, PEF filed testimony regarding the LNP costs and the Company's project management policies and procedures. PEF then filed, on April 30, 2012, a petition, additional testimony, and NFR schedules AE-1 through AE-7B and P-1 through P-8 and Appendices, for years 2012 and 2013, respectively, in support of PEF's actual/estimated and projected costs, and schedules TOR-1 through TOR-7, which reflect total project estimated costs.

PEF developed and utilized prudent project management policies and procedures to carry out the LNP. These procedures are designed to ensure timely and cost-effective completion of the project. PEF also developed and utilized prudent accounting and cost oversight controls. Pursuant to these policies, PEF developed its actual 2011 costs and 2012 and 2013 cost estimates based on the best information available to the Company. PEF requests that the Commission find that its project management, contracting, accounting and cost oversight controls for 2011 were prudent.

PEF reasonably and prudently incurred capital preconstruction, construction carrying costs, and CCRC recoverable O&M expenses for the LNP in the amount of [REDACTED] for 2011. The prudence of all costs incurred in 2011 is supported by PEF's testimony and exhibits filed in this proceeding. Accordingly, PEF requests that the Commission approve the prudence of these actual 2011 costs.

PEF has also reasonably estimated and projected its capital preconstruction and construction LNP costs for 2012 and 2013. The actual/estimated 2012 and projected 2013 LNP costs reflect the Company's decision regarding extending the partial suspension and shifting the in-service dates for Levy Units 1 and 2 to 2024 and 2025.

Pursuant to Rule 25-6.0423(5)(c)5, F.A.C., PEF demonstrated the long-term feasibility of completing the LNP. The Company employed a two-step process to determine if the LNP is feasible. First, the Company employed a qualitative analysis of the technical and regulatory capability of completing the plants, the risks, and the costs and benefits of completing the Levy nuclear power plants. The second step was an updated, quantitative CPVRR economic analysis that includes comparisons to the cost-effectiveness CPVRR analysis in the Company's need determination proceeding for the LNP described in Order No. PSC-08-0518-FOF-EI. The updated CPVRR indicates that the LNP is economically viable and has the potential to provide PEF and its customers with fuel and environmental cost savings over the life of the project. The LNP is also feasible from a regulatory and technical perspective. PEF has, therefore, demonstrated the long-term feasibility of completing the LNP.

No Intervenor or Staff witness disputes the prudence of any cost incurred by PEF on the LNP in 2011 or the reasonableness of any actual/estimated cost and projected cost that PEF has incurred or expects to incur on the LNP in 2012 and 2013. Further, no witness filed testimony in this proceeding disputing PEF's analysis of the long-term feasibility of completing the LNP. Finally, no witness filed testimony in this proceeding disputing the prudence of PEF's LNP project management, contracting, accounting, and cost oversight controls for 2011.

As more fully developed in PEF's pre-filed testimony and exhibits, including its NFR schedules, PEF requests that the Commission determine that (1) the LNP's actual 2011 costs were prudently incurred; (2) the LNP's 2011 project management, contracting, accounting, and cost oversight controls were prudent; (3) the LNP's actual/estimated 2012 costs are reasonable; (4) the LNP's projected 2013 costs are reasonable; and (5) approve the long-term feasibility analysis for completing the LNP.

CR3 Uprate Project.

On February 7, 2007, this Commission issued Order No. PSC-07-0119-FOF-EI, granting PEF's petition for determination of need for the expansion of the CR3 nuclear power plant through the CR3 Uprate project. The CR3 Uprate project is a three-phase project involving the engineering, design, equipment procurement, and equipment installation necessary to generate an additional, estimated 180 MWe of efficient nuclear power at the Company's existing nuclear unit. PEF is currently performing the work necessary to complete the third and final phase of the CR3 Uprate project.

This final phase is called the EPU work phase because, upon completion of the EPU work and NRC approval of the Company's LAR for the power uprate, the Company will be able to increase the power generated by CR3. This work includes continued engineering and licensing support for the EPU LAR that was submitted to the NRC in June 2011 and accepted for review by the NRC in November 2011. PEF Witness Jon Franke explains the general scope of this licensing and engineering work in his March 1, 2012 and April 30, 2012 direct testimony. This work will continue through 2013 when NRC approval of the EPU LAR is expected. Further EPU work in 2013 includes design engineering finalization of the engineering change ("EC") packages for the EPU, continued payments and vendor oversight for LLE for the EPU, and the commencement of construction activities including starting mobilization of construction resources, the performance of constructability reviews, the receipt, storage, and organization of equipment and materials, the commencement of pre-fabrication activities, and continued vendor oversight.

PEF plans to complete the EPU phase of the CR3 Uprate project during the current, extended CR3 16R re-fueling outage. Under this schedule, PEF plans to start EPU construction in June 2013 and complete implementation of the EPU in June 2014 before the expected return of CR3 to commercial service. The Company's actual/estimated 2012 and projected 2013 CR3 Uprate costs are based on the Company's current schedule to complete the EPU phase during the CR3 16R extended re-fueling outage. Completion of the CR3 Uprate project during the current extended, CR3 re-fueling outage under the current, expected plan to repair and return CR3 to commercial service is in the best interests of PEF and its customers.

Pursuant to Section 366.93, Florida Statutes, and Rule 25-6.0423, F.A.C., PEF filed a petition on March 1, 2012, requesting a determination of prudence for its CR3 Uprate project 2011 costs and 2011 project management, contracting, accounting and cost oversight controls. PEF's March 1, 2012 petition also seeks the recovery of the carrying costs on its 2011 construction expenditures. PEF filed the testimony and exhibits of Mr. Franke and Mr. Garrett,

including NFRs schedules T-1 through T-7B and Appendices, in support of the prudence of these costs and project management, contracting, accounting, and cost oversight controls.

On April 30, 2012, PEF filed a petition, additional testimony, and NFR schedules AE-1 through AE-7B and P-1 through P-8 and Appendices, for years 2012 and 2013, respectively, in support of PEF's actual/estimated costs for 2012 and projected costs for 2013 and NFR schedules TOR-1 through TOR-7, which reflect total project estimated costs. PEF also filed testimony and exhibits regarding the long-term feasibility of completing the CR3 Uprate project.

PEF developed and utilized prudent project management policies and procedures to carry out the CR3 Uprate project. PEF also developed and utilized prudent accounting and cost oversight controls. Pursuant to these policies, PEF submitted its actual 2011 costs and developed and submitted its actual/estimated 2012 costs and projected 2013 costs. No witness filed testimony in this proceeding disputing the prudence of PEF's CR3 Uprate project management, contracting, accounting, and cost oversight controls for 2011. PEF requests that the Commission find that its project management, contracting, accounting, and cost oversight controls for 2011 were prudent.

No Intervenor or Staff witness disputes the prudence of costs incurred by PEF on the CR3 Uprate in 2011. Office of Public Counsel ("OPC") witness Dr. William Jacobs filed testimony recommending that PEF continue the CR3 Uprate project on a different schedule, in his view, to minimize CR3 Uprate project costs until the CR3 containment repair is nearing completion and licensing approval. PEF filed the rebuttal testimony of Mr. Franke disputing these recommendations and explaining that Jacobs' recommendation will increase, not decrease, the total cost of the project and increase the risk that implementation of the EPU work will delay the return of CR3 to commercial service. As a result, Jacobs' recommendation increases the costs and reduces the benefits of the project to PEF and its customers and should be rejected.

Pursuant to Rule 25-6.0423(5)(c)5, F.A.C., PEF demonstrated the long-term feasibility of completing the CR3 Uprate project. The Company performed both a qualitative and quantitative analysis to determine if the CR3 Uprate project remains feasible. The qualitative analysis of the CR3 Uprate project feasibility included a qualitative review of the technical and regulatory capability of completing the EPU phase work. This qualitative analysis is consistent with the Company's CR3 Uprate project qualitative feasibility analysis that was approved as reasonable by the Commission in Order No. PSC-11-0095-FOF-EI. An updated CPVRR analysis was performed for the quantitative feasibility analysis. The updated, quantitative CPVRR analysis demonstrates that the CR3 Uprate project is economically feasible. There are substantial fuel savings for PEF's customers if the EPU phase of the CR3 Uprate project is completed. No witness filed testimony in this proceeding disputing PEF's analysis of the long-term feasibility of completing the CR3 Uprate project.

PEF's pre-filed testimony and supporting exhibits and NFRs in this docket demonstrate the prudence of its costs. PEF requests that the Commission approve the prudence of the CR3 Uprate project's 2011 costs, and authorize PEF to recover the revenue requirements associated with those costs. For the time period January 2011 through December 2011, PEF is requesting a total of \$13,242,434 in revenue requirements, adjusted for the contribution to construction expenditures made by the CR3 joint owners. The joint owners of CR3 have indicated that they

are electing to take their share of the additional uprate Megawatts energy (“MWe”), and contribute their share of the costs incurred to obtain these additional MWe.

As more fully developed in PEF’s pre-filed testimony and exhibits, including its NFR schedules, PEF requests that the Commission determine that (1) the CR3 Uprate project’s actual 2011 costs were prudently incurred; (2) the CR3 Uprate project’s 2011 project management, contracting, accounting, and cost oversight controls were prudent; (3) the CR3 Uprate project’s actual/estimated 2012 costs are reasonable; (4) the CR3 Uprate project’s projected 2013 costs are reasonable; and (5) approve the long-term feasibility analysis for completing the CR3 Uprate project.

For all these reasons, PEF respectfully requests that the Commission grant cost recovery for PEF’s CR3 Uprate and Levy Nuclear Projects.

D. PEF’S STATEMENT OF ISSUES AND POSITIONS:

1. GENERIC LEGAL ISSUE.

[DISPUTED ISSUE]

Issue 1: Does Section 366.93, Florida Statutes, authorize the Commission to disallow recovery of all, or a portion of, the carrying costs prescribed by Section 366.93(2)(b), Florida Statutes?

PEF Position:

No it does not. PEF asserts that this is not a necessary issue for inclusion in this docket. PEF’s arguments against inclusion of this issue are discussed in PEF’s Brief in Opposition to Proposed Issues 1, 2, and 3, to be filed prior to the Prehearing Conference, incorporated herein by reference.

2. LEGAL/POLICY ISSUES.

[DISPUTED ISSUE]

Issue 2: Does the Commission have the authority to disallow recovery of any AFUDC equity on the Crystal River Unit 3 Uprate project in 2012 and 2013 due to the delay caused by the lack of implementation of a final decision to repair or retire Crystal River Unit 3? If yes, should the Commission exercise this authority and what amount should it disallow, if any?

PEF Position:

No it does not. PEF opposes this issue and disputes that it is an appropriate issue for inclusion in this docket. PEF’s arguments against inclusion of this

issue are discussed in PEF's Brief in Opposition to Proposed Issues 1, 2, and 3, to be filed prior to the Prehearing Conference, incorporated herein by reference.

[DISPUTED ISSUE]

Issue 3: Does the Commission have the authority to defer all determinations of prudence and reasonableness for the Crystal River Unit 3 Uprate project (and, thus, defer cost recovery in 2013) until a final decision to repair or retire has been implemented? If yes, should the Commission exercise this authority?

PEF Position:

No it does not. PEF opposes this issue and disputes that it is an appropriate issue for inclusion in this docket. PEF's arguments against inclusion of this issue are discussed in PEF's Brief in Opposition to Proposed Issues 1, 2, and 3, to be filed prior to the Prehearing Conference, incorporated herein by reference.

3. FACT ISSUES.

Levy Nuclear Project (LNP)

Issue 4: Do PEF's activities since January 2011 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.?

PEF Position:

Yes, they do. Similar issues were included for consideration by this Commission in prior nuclear cost recovery clause ("NCRC") Dockets No. 10009-EI and No. 11009-EI. In both dockets the Commission found that PEF's activities qualified under the statute. See Order No. PSC-11-0547-FOF-EI and Order No. PSC-11-0095-FOF-EI. PEF's LNP activities since January 2011 are similar to the Company's prior LNP activities and they likewise qualify as the "siting, design, licensing, and construction" of a nuclear power plant under Section 366.93, Florida Statutes.

The Commission determined in Order No. PSC-0095-FOF-EI that a utility is not required to engage in the siting, design, licensing and construction of nuclear power plant activities simultaneously in order to meet the statutory requirements under Section 366.93, Florida Statutes. See Order No. PSC-11-0095-FOF-EI, p. 9. Rather, the utility must demonstrate that it is incurring costs for preconstruction or construction, as defined in the statute and rule, related to the statutorily defined activities of siting, design, licensing, or

construction of a nuclear power plant. If the utility demonstrates that it incurred preconstruction or construction costs for siting, design, licensing, or construction of a nuclear power plant then, the utility demonstrates, “through its actions, an intent to build the nuclear power plant for which it seeks advance recovery of costs ...,” and the utility satisfies Section 366.93, Florida Statutes. *See* Order No. PSC-11-0547-FOF-EI, p. 88; *See also* Section 366.93(1)(a), (2), Fla. Stats.

The LNP is an active project under an existing NRC licensing application and EPC contract with the Consortium to build two AP1000 nuclear power plants on a site in Levy County. As described in the direct testimony of Mr. Elnitsky and Mr. O’Cain, all costs incurred by PEF in 2011 and projected for 2012 and 2013 for the LNP are specifically related to the siting, licensing, and/or design of the Levy nuclear plants. The 2011 LNP costs were incurred in connection with licensing application activities to support the Levy COLA to the NRC, engineering activities in support of the COLA, and activities under PEF’s LNP EPC contract with the Consortium. In addition, costs were incurred for Levy Transmission strategic land acquisitions.

PEF has also incurred LNP costs during the first quarter of 2012, and has estimated the project costs necessary for the remainder of 2012 and 2013. These costs include continued LNP COLA and environmental permit licensing and engineering costs, and other costs necessary to implement the Company’s LNP decision to extend the partial suspension of the project and shift the in-service dates to 2024 and 2025.

These activities and the costs of these activities in 2011, 2012, and 2013 are consistent with efforts to actively pursue the development and construction of a new nuclear power plant. That is in fact what PEF is doing. PEF has an EPC contract for the design and construction of the LNP that is in effect. PEF is working toward and expects to receive its COL for the LNP in mid-2013 from the NRC. PEF is implementing its decision to extend the partial suspension because it is the most beneficial implementation of the LNP for the Company and its customers based on an evaluation of present uncertainty related to increased near-term enterprise risks. Through its continued costs for activities on the project related to the siting, design, and licensing of the Levy nuclear power plants, as discussed in detail in its pre-filed testimony and exhibits, PEF has demonstrated that it has the present intent to build the LNP. (Elnitsky, Lyash, O’Cain).

Issue 5: Should the Commission approve what PEF has submitted as its 2012 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?

PEF Position:

Yes, the Commission should approve what PEF has submitted as its annual detailed analysis of the long-term feasibility of completing the LNP. With the testimony and exhibits of Mr. John Elnitsky, PEF submitted a detailed analysis setting forth the long term feasibility of completing the LNP, consistent with the requirements of Rule 25-6.0423, F.A.C. and the analysis this Commission originally approved in Docket No. 090009-EI.

First, the Company employed a qualitative analysis of the technical and regulatory capability of completing the plants, the risks, and the costs and benefits of completing the Levy nuclear power plants. As part of this analysis, the Company demonstrated that the LNP is feasible from a regulatory, technical, and economic perspective. The LNP COL can be obtained and is still expected in mid-2013. The LNP can be built at the Levy site. Even with lower natural gas price forecasts, the LNP is still projected to be economically beneficial to PEF's customers over the sixty-year life of the Levy nuclear units. The LNP still fulfills the Florida legislative objectives embodied in Section 403.519(4), Florida Statutes, and the Commission's need determination for the LNP. The LNP provides fuel portfolio diversity to the State and Company, reduces reliance on fossil fuels for energy production, provides carbon free energy generation, and provides base load capacity with a low cost fuel source. The long-term LNP fuel savings and related benefits for PEF's customers exist and, therefore, justify completion of the LNP. Although there is increased near-term enterprise risk due to near-term uncertainty, this increased risk has been mitigated by extension of the current project suspension.

The second step was an updated CPVRR economic analysis. The Company has developed a LNP total project cost estimate based on the current, known project costs and an expected, later in-service date for the Levy nuclear units. Applying the quantitative, CPVRR feasibility analysis to this cost estimate and the expected in-service dates, the LNP continues to be economically feasible, even with the implementation of the Company's decision. The updated CPVRR indicates that the LNP is economically viable and has the potential to provide PEF and its customers with fuel and environmental cost savings over the life of the project. The Company has demonstrated that the LNP is feasible.

If the Commission does not approve what PEF has submitted as its annual detailed analysis of the long-term feasibility of completing the LNP based on a perceived technical deficiency in PEF's filing, the Commission should specifically identify the nature of its perceived deficiencies in PEF's analysis and permit PEF to re-file with the additional requested information.

If the Commission finds that PEF's filing is technically acceptable, but that the LNP is not feasible going forward on substantive grounds, the Commission's determination would preclude the Company from completing the construction of the LNP and the Commission should allow PEF cost recovery of its prudent 2011 costs, reasonable 2012 costs, and reasonable project exit costs pursuant to Section 366.93(6). (Elnitsky).

Issue 6: What is the current total estimated all-inclusive cost (including AFUDC and sunk costs) of the proposed Levy Units 1 & 2 nuclear project?

PEF Position:

The current total estimated all inclusive cost for the Levy Units 1 & 2 nuclear project, including AFUDC and sunk costs, as of 2012 is approximately \$24.1 billion. (Elnitsky, Foster).

Issue 7: What is the current estimated planned commercial operation date of the planned Levy Units 1 & 2 nuclear facility?

PEF Position:

The Levy Units 1 & 2 nuclear plants are currently estimated for commercial operation in 2024 for Unit 1 and eighteen months later in 2025 for Unit 2. (Elnitsky, Lyash).

Issue 8: Should the Commission find that, for 2011, 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?

PEF Position:

Yes, for the year 2011, PEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the LNP. These procedures are designed to ensure timely and cost-effective completion of the project. These project management and cost oversight controls include regular risk assessment, evaluation, and management. These policies, procedures, and controls are continually reviewed, and where necessary, revised and enhanced, all in line with industry best practices. The Company has appropriate, reasonable project accounting controls, project monitoring procedures, disbursement services controls, and regulatory accounting controls. The Company's 2011 LNP management and cost oversight controls, policies, and procedures are substantially the same as the policies

and procedures reviewed and previously determined to be prudent by the Commission. (Garrett, O'Cain, Elnitsky).

Issue 9: What system and jurisdictional amounts should the Commission approve as PEF's final 2011 prudently incurred costs and final true-up amounts for the Levy Units 1 & 2 project?

REDACTED

PEF Position:

Capital Costs (System) [REDACTED]; (Jurisdictional) \$67,092,100.
O&M Costs (System) \$1,258,687; (Jurisdictional) \$1,154,469.
Carrying Costs \$48,658,064.

The over-recovery of \$12,649,655 should be included in setting the allowed 2013 NCRC recovery.

The 2011 variance is the sum of over-projection preconstruction costs of \$12,675,090, plus an over-projection of O&M expenses of \$260,104 plus an under-projection of carrying costs of \$285,540. (Garrett, O'Cain).

Issue 10: What system and jurisdictional amounts should the Commission approve as reasonably estimated 2012 costs and estimated true-up amounts for PEF's Levy Units 1 & 2 project?

REDACTED

PEF Position:

Capital Costs (System) [REDACTED]; (Jurisdictional) \$21,391,932.
O&M Costs (System) \$1,010,929; (Jurisdictional) \$927,458.
Carrying Costs \$48,548,055.

The Commission should also approve an estimated 2012 LNP project true-up over-recovery amount of \$13,013,480 to be included in setting the allowed 2013 NCRC recovery.

The 2012 variance is the sum of an over-projection of Preconstruction costs of \$ 12,617,788, plus an over-projection of O&M expenses of \$477,616 plus an under-projection of carrying charges of \$81,924. (Foster, Elnitsky).

Issue 11: What system and jurisdictional amounts should the Commission approve as reasonably projected 2013 costs for PEF's Levy Units 1 & 2 project?

REDACTED

PEF Position:

**Capital Costs (System) [REDACTED]; (Jurisdictional) \$95,888,097.
O&M Costs (System) \$1,106,148; (Jurisdictional) \$1,025,100.
Carrying Charges \$22,089,049.**

For the LNP, an amount necessary to achieve the rates included in Exhibit 5 (\$3.45/1,000kWh on the residential bill) of the Settlement Agreement approved in Order No. PSC-12-104-FOF-EI page 147 should be included in establishing PEF's 2013 CCRC. (Foster, Elnitsky).

Crystal River Unit 3 (CR3) Uprate Project.

Issue 12: Should the Commission approve what PEF has submitted as its 2012 annual detailed analyses 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?

PEF Position:

Yes, the Commission should approve what PEF has submitted as its annual detailed analysis of the long-term feasibility of completing the CR3 Uprate. With the testimony and exhibits of Mr. Jon Franke, PEF submitted a detailed analysis setting forth the long-term feasibility of completing the CR3 Uprate, consistent with the requirements of Rule 25-6.0423 and the analysis this Commission approved as reasonable in Order No. PSC-11-0095-FOF-EI.

First, the Company employed a qualitative analysis of the technical and regulatory capability of completing the EPU, the risks, and the costs and benefits of completing the CR3 Uprate. As part of this analysis, the Company demonstrated that the CR3 Uprate is feasible from a regulatory and technical perspective. The CR3 Uprate is technically feasible. The first two phases of the CR3 Uprate project were successful when all equipment and other modifications were installed in a timely manner with no significant issues. PEF's ongoing technical analysis and reviews confirm that the EPU phase work can be successfully completed and the full power uprate achieved. From a regulatory perspective the CR3 Uprate project is feasible. All licenses and permits for the CR3 Uprate project can be obtained. There

is no reason to believe that the necessary licenses and permits for the EPU phase work will not be obtained. As a result of this analysis, PEF remains confident that the EPU phase work can be successfully completed to achieve the full power uprate and obtain the fuel-savings benefits of the full 180 MWe increase.

The second step was an updated CPVRR economic analysis. This updated analysis was performed in a manner consistent with the Company's quantitative feasibility analysis for the LNP and the Company's prior CPVRR analyses for the CR3 Uprate project that were previously reviewed and approved by the Commission in prior NCRC proceedings. The updated, quantitative CPVRR analysis demonstrates that the CR3 Uprate project is economically feasible. There are substantial fuel savings for PEF's customers if the EPU phase of the CR3 Uprate project is completed. The Company's economic analysis is based on the current, expected EPU schedule with the commencement and completion of construction during the current extended CR3 outage. The current EPU phase plan (including current project costs) was evaluated in the updated CPVRR analysis against a project cancellation option assuming no further work on the CR3 Uprate project. The economic feasibility evaluation further considered the benefits of the EPU phase of the CR3 Uprate project with and without carbon cost benefits as a result of future, potential climate control or greenhouse gas ("GHG") emission legislation or regulation. The CPVRR economic evaluation demonstrates that under the current EPU phase plan, the CR3 Uprate is economically beneficial to PEF and its customers based on fuel savings alone. The Company has demonstrated that the CR3 Uprate is feasible.

If the Commission does not approve what PEF has submitted as its annual detailed analysis of the long-term feasibility of completing the CR3 Uprate based on a perceived technical deficiency in PEF's filing, the Commission should specifically identify the nature of its perceived deficiencies in PEF's analysis and permit PEF to re-file with the additional requested information.

If the Commission finds that PEF's filing is technically acceptable, but that the CR3 Uprate is not feasible going forward on substantive grounds, the Commission's determination would preclude the Company from completing the construction of the CR3 Uprate and the Commission should allow PEF cost recovery of its prudent 2011 costs, reasonable 2012 costs, and reasonable project exit costs pursuant to Section 366.93(6). (Franke).

Issue 13: Should the Commission find that, for 2011, 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?

PEF Position:

Yes, for the year 2011, PEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the CR3 Uprate. These procedures are designed to ensure timely and cost-effective completion of the project. These project management and cost oversight controls include regular risk assessment, evaluation, and management. These policies, procedures, and controls are continually reviewed, and where necessary, revised and enhanced, all in line with industry best practices. The Company has appropriate, reasonable project accounting controls, project monitoring procedures, disbursement services controls, and regulatory accounting controls. The Company's 2011 CR3 Uprate management and cost oversight controls, policies, and procedures are substantially the same as the policies and procedures reviewed and previously determined to be prudent by the Commission. (Garrett, Franke).

Issue 14: Were all of the actual Crystal River Unit 3 Uprate project expenditures prudently incurred or expended in 2011 in the absence of a final decision to repair or retire Crystal River Unit 3 in 2011?

PEF Position:

Yes, all of the CR3 Uprate 2011 actual costs were prudently incurred. As explained in Mr. Franke's direct and rebuttal testimony in this docket, in 2011, prior to the March 14, 2011 delamination, PEF was proceeding with a project plan and CR3 Uprate project schedule to complete the Uprate project in a then-planned 2013 CR3 re-fueling outage. At that point in 2011, PEF had incurred and committed to incur costs for the EPU phase of the Uprate project in the first quarter of 2011, prior to and immediately after the mid-March 2011 delamination, that were not amenable to revision as a result of this event. Subsequent to this delamination event, however, PEF evaluated the EPU phase work and determined that the reasonable course of action was to take steps to preserve the option of completing the CR3 Uprate work in the current CR3 outage, without unnecessarily incurring costs for the CR3 Uprate project in 2011, while assessments regarding the potential repair of the CR3 containment building continued. PEF prudently minimized CR3 Uprate costs in the second half of 2011 to ensure that only those costs necessary to continue with the CR3 Uprate project if CR3 was repaired were incurred until a final decision to repair CR3 is made. As Mr. Franke further explains, the Company reallocated project management resources and reduced project management expenditures for the CR3 Uprate project by \$4.7 million, and reduced Power Bock Engineering, Procurement, and related construction costs by \$34.2 million in 2011 as a result of PEF's efforts to minimize CR3 Uprate project costs.

As Mr. Franke also explains in his testimony, the 2011 CR3 Uprate project costs were primarily incurred for unavoidable contractual long lead equipment payments, licensing, and related engineering work on the Company's EPU LAR to the NRC, necessary engineering analyses for the engineering change packages for the EPU, and associated project management work. If PEF did not incur these costs in 2011, then, PEF effectively would have cancelled the EPU phase and rendered continuation of the CR3 Uprate project infeasible. No witness in this docket, including OPC witness Dr. Jacobs, disputes the prudence of the 2011 CR3 Uprate costs. No witness disputes PEF's evidence that the CR3 Uprate project is feasible. No witness in this docket recommends cancellation of the CR3 Uprate project now or in 2011. Accordingly, PEF's expenditures in 2011 on the CR3 Uprate project were prudent in any event, including the absence of a final decision to repair or retire CR3. (Franke).

Issue 15: What system and jurisdictional amounts should the Commission approve as PEF's 2011 prudently incurred costs and final true-up amounts for the Crystal River Unit 3 Uprate project?

PEF Position:

Capital Costs (System) \$49,049,270; (Jurisdictional, net of joint owners) \$43,648,799.

O&M Costs (System) \$498,775; (Jurisdictional, net of joint owners) \$461,200.

Carrying Costs \$16,127,875 and a base revenue requirement credit of \$3,346,641.

The under-recovery of \$3,498,125 should be included in setting the allowed 2013 NCRC recovery. The 2011 variance is the sum of an O&M under-projection of \$461,276, under-projection of carrying charges of \$3,207,094 and an over-projection of other adjustments of \$170,245. (Garrett, Franke).

Issue 16: Is it reasonable for PEF to incur or expend all of the estimated and projected Crystal River Unit 3 Uprate project expenditures in 2012 and 2013 in the absence of a final decision to repair or retire CR3?

PEF Position:

Yes. PEF's CR3 Uprate project plan reasonably preserves for customers the full benefits of the CR3 Uprate project if the Company decides to repair CR3 by providing for completion of the EPU phase when CR3 is repaired and

returned to commercial service at the end of the current CR3 outage. This is a reasonable plan even though the repair of CR3 is currently under analysis. Every long-term utility resource planning decision is made under uncertain conditions and unknown future circumstances. If utilities waited until conditions or circumstances affecting resource plans were absolutely certain, no long-term resource planning decision would ever be made. Utilities can only make reasonable, not certain, long-term resource planning decisions, just like PEF's decision to plan for completion of the EPU phase of the CR3 Uprate project if CR3 is repaired. PEF demonstrated this is a reasonable decision in the Company's feasibility analysis explained in detail in Mr. Franke's direct and rebuttal testimony. In sum, completion of the EPU phase of the CR3 Uprate project in the current extended CR3 re-fueling outage is beneficial to PEF's customers.

No witness in this proceeding contends that PEF's current plan to complete the EPU phase of the CR3 Uprate project during the current CR3 outage is unreasonable. Based on the recommendations in his testimony, OPC witness Dr. Jacobs agrees that it is reasonable for PEF to continue with work on the CR3 Uprate project and to complete the EPU phase during the current CR3 outage. No witness, including Dr. Jacobs, asserts that PEF should cancel or suspend and postpone the CR3 Uprate project. Dr. Jacobs simply recommends that PEF implement the EPU phase work on a different schedule during the current CR3 outage. As Mr. Franke explains in his direct and rebuttal testimony, however, Dr. Jacobs' recommendation will actually increase, not minimize, the cost of the EPU work to PEF's customers and may delay implementation of the EPU phase of the CR3 Uprate project, thereby delaying receipt of the fuel savings benefits to PEF's customers.

Accordingly, PEF's actual/estimated 2012 and projected 2013 CR3 Uprate costs are reasonable because the CR3 Uprate project plan is reasonable. As Mr. Franke explains in his direct testimony, these costs are necessary for the EPU scope of work required to implement the current CR3 Uprate project plan. For example, LLE progress payment costs for 2012 and 2013 reflect pre-existing contractual commitments. Deferral of these payments cannot be accomplished without cancellation or suspension of contracts, which would result in penalties, increased costs, and increased uncertainty regarding LLE contract renewals to meet the current EPU phase work schedule.

Actual/estimated 2012 and projected 2013 costs also include engineering and licensing support work for the EPU LAR. No witness in this docket presents any evidence that PEF's actual/estimated 2012 or projected 2013 CR3 Uprate project costs are unreasonable because they are unnecessary for the EPU work or inaccurate or incorrect in amount because of something PEF did or did not do that it should have done. All of the actual/estimated 2012 and projected 2013 costs are necessary for PEF to complete the EPU phase work during the current CR3 outage. (Franke).

Issue 17: What system and jurisdictional amounts should the Commission approve as reasonably estimated 2012 costs and estimated true-up amounts for PEF's Crystal River Unit 3 Uprate project?

PEF Position:

Capital Costs (System) \$51,511,838; (Jurisdictional, net of joint owners) \$30,124,279.

O&M Costs (System) \$406,465; (Jurisdictional, net of joint owners) \$376,909.

Carrying Costs \$20,654,690 and a base revenue requirement credit of \$3,242,310.

The Commission should also approve an estimated 2012 EPU project true-up under-recovery of \$8,176,192 to be included in setting the allowed 2013 NCRC recovery. The 2012 variance is the sum of an O&M under-projection of \$377,619, plus an under-projection of carrying charges of \$7,778,944 plus an over-projection of other adjustments of \$19,629. (Foster, Franke).

Issue 18: What system and jurisdictional amounts should the Commission approve as reasonably projected 2013 costs for PEF's Crystal River Unit 3 Uprate project?

PEF Position:

Capital Costs (System) \$110,242,215; (Jurisdictional, net of joint owners) \$57,990,796.

O&M Costs (System) \$506,471; (Jurisdictional, net of joint owners) \$472,466

Carrying Costs \$36,826,927 and a base revenue requirement credit of \$3,587. (Foster, Franke).

Issue 19: What is the total jurisdictional amount to be included in establishing PEF's 2013 Capacity Cost Recovery Clause factor?

PEF Position:

For the CR3 Uprate project, \$48,970,123 (before revenue tax multiplier) should be included in establishing PEF's 2013 Capacity Cost Recovery Factor ("CCRC"). Please see chart below for a further breakout of these costs.

For the LNP, an amount necessary to achieve the rates included in Exhibit 5 (\$3.45/1,000kWh on the residential bill) of the Settlement Agreement

approved in Order No. PSC-12-104-FOF-EI page 147 should be included in establishing PEF's 2013 CCRC. (Foster).

**Breakout of CR3 Uprate Total Jurisdictional
Amounts for 2013 CCRC Factor**

TOPIC		Reference: PEF 2012 NCRC Filings
CR3 Uprate		
	CR3 Uprate 2011 Final True-up	\$ 3,498,125
	CR3 Uprate 2012 Estimated True-up	8,176,192
	CR3 Uprate 2013 Projections	37,295,806
	CR3 Uprate Subtotal	\$ 48,970,123
	Rev Tax Multiplier	1.00072
CR3 Uprate Total		\$ 49,005,381

Issues 20 through 33 are Florida Power & Light ("FPL") specific issues and as such PEF takes no position on these issues.

E. STIPULATED ISSUES.

None at this time.

F. PENDING MOTIONS OR OTHER MATTERS.

PEF and FPL's Joint Petition for Variance From or Partial Waiver of Rule 25.0423(5)(c)4

G. PEF'S REQUESTS FOR CONFIDENTIAL CLASSIFICATION.

Document No.	Request	Date Filed
01212-12	First Request for Confidential Classification re Portions of Testimony and Exhibits and Petition Filed as Part of the Company's March 1, 2012 True-Up Filing	3/01/12
02749-12	Second Request for Confidential Classification re Portions of	4/30/12

	Testimony and Exhibits as Part of the Company's April 30, 2012 Petition for Approval of Costs to be Recovered	
03659-12	Third Request for Confidential Classification re Portions of the Auditor's Work Papers in Audit Control No. 12-010-2-2 for the CR3 Uprate Project	6/5/12
03688-12	Fourth Request for Confidential Classification re: Portions of the Documents Responsive to Citizen's First Request for Production of Documents (No. 1)	6/6/12
03852-12	Fifth Request for Confidential Classification re: Portions of Auditor's Work Papers in Audit Control No. 12-010-2-1 for the Levy Nuclear Project	6/13/12
03911-12	Sixth Request for Confidential Classification re: Portions of the Review of the Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects Audit Report No. PA-11-11-004	6/15/12
05121-12	Seventh Request for Confidential Classification re: Portions of PEF's Responses to Staff's First Request for Production	7/31/12
	Eighth Request for Confidential Classification re: Prehearing Statement	8/6/12

H. REQUIREMENTS OF PREHEARING ORDER THAT CANNOT BE MET.

There are no requirements of the prehearing order that cannot be met at this time. Because discovery is continuing in this matter, PEF reserves the right to use witnesses and exhibits other than or different from those identified hereinabove, in order to respond to ongoing developments in the case. PEF further reserves the right to amend any of its positions to the issues to respond to any such ongoing developments in the case or to respond to the Prehearing Officer's or Commission's rulings on the disputed issues or the pending Motions.

I. OBJECTIONS TO WITNESSES' QUALIFICATIONS

None.

Respectfully submitted on this 6th day of August, 2012,

R. Alexander Glenn
State Regulatory General Counsel
John T. Burnett
Associate General Counsel II
PROGRESS ENERGY FLORIDA
Post Office Box 14042
St. Petersburg, FL 33733-4042
Telephone: (727) 820-5587
Facsimile: (727) 820-5519



James Michael Walls
Florida Bar No. 0706242
Blaise N. Gamba
Florida Bar No. 0027942
Matthew R. Bernier
Florida Bar No. 0059886
CARLTON FIELDS, P.A.
Post Office Box 3239
Tampa, FL 33601-3239
Telephone: (813) 223-7000
Facsimile: (813) 229-4133

CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic and U.S. Mail this 6th day of August, 2012.



Attorney

Keino Young
Michael Lawson
Staff Attorney
Florida Public Service Commission
2540 Shumard Oak Blvd
Tallahassee 32399
Phone: (850) 413-6218
Facsimile: (850) 413-6184
Email: kyoung@psc.fl.state.us
mlawson@psc.fl.state.us

Charles Rehwinkel
Associate Counsel
Erik Saylor
Associate Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400
Phone: (850) 488-9330
Email: rehwinkel.charles@leg.state.fl.us
Saylor.erik@leg.state.fl.us

Vicki G. Kaufman
Jon C. Moyle, Jr.
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, FL 32301
Phone: (850) 681-3828
Fax: (850) 681-8788
Email: vkaufman@moylelaw.com
jmoyle@moylelaw.com

Bryan S. Anderson
Jessica Cano
Florida Power & Light
700 Universe Boulevard
Juno Beach, FL 33408-0420
Phone: (561) 691-7101
Facsimile: (561) 691-7135
Email: bryan.anderson@fpl.com
Jessica.cano@fpl.com

Capt. Samuel Miller
USAF/AFLOA/JACL/ULFSC
139 Barnes Drive, Ste. 1
Tyndall AFB, Fl 32403-5319
Phone: (850) 283-6663
Fax: (850) 283-6219
Email: Samuel.Miller@Tyndall.af.mil

Kenneth Hoffman
Florida Power & Light
215 South Monroe St., Ste. 810
Tallahassee, FL 32301-1858
Phone: (850) 521-3919
Fax: (850) 521-3939
Email: Ken.Hoffman@fpl.com

Mr. Paul Lewis, Jr.
Progress Energy Florida, Inc.
106 East College Avenue, Ste. 800
Tallahassee, FL 32301-7740
Phone: (850) 222-8738
Facsimile: (850) 222-9768
Email: paul.lewisjr@pgnmail.com

Robert Scheffel Wright
John T. LaVia
c/o Gardner Law Firm
1300 Thomaswood Drive
Tallahassee, FL 32308
Email: schef@gbwlegal.com

Gary A. Davis
James S. Whitlock
Davis & Whitlock, P.C.
61 North Andrews Avenue
P.O. Box 649
Hot Springs, NC 28743
gadavis@enviroattorney.com
jwhitlock@environattorney.com

James W. Brew
F. Alvin Taylor
Brickfield Burchette Ritts & Stone, PC
1025 Thomas Jefferson St NW
8th FL West Tower
Washington, DC 20007-5201
Phone: (202) 342-0800
Fax: (202) 342-0807
Email: jbrew@bbrslaw.com
ataylor@bbrslaw.com

Randy B. Miller
White Springs Agricultural Chemicals, Inc.
PO Box 300
White Springs, FL 32096
Email: RMiller@pscphosphate.com
(via email only)

Robert H. Smith
11340 Heron Bay Blvd.
Coral Spring, FL 33076
Email: rpjrb@yahoo.com
(via email only)