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Subject: FPSC Docket No. 130009 – Prehearing Statement of PCS Phosphate
Attachments: p-pcs_prehearing_statement_2013_NEW_Final.pdf

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- b. Docket No. 130009-EI, In Re: Nuclear Cost Recovery Clause
- c. Filed on behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs
- d. Total Pages = 7
- e. PCS Phosphate's Pre-Hearing Statement

D. STATEMENT OF BASIC POSITION

In March 2012, the Commission issued Order No. PSC-12-0104-FOF-EI which approved a stipulation and settlement agreement among DEF, the Office of Public Counsel (“OPC”) and other consumer party intervenors, including PCS Phosphate. The Stipulation specifically addressed various issues concerning the Levy Nuclear Project (“LNP”), including in particular the level of LNP costs that may be recovered from customers through the first billing cycle in 2018. PCS Phosphate urges the Commission require DEF to comply with the Stipulation’s conditions, and in light of the current market conditions and the continuing expectation of low natural gas prices, limit its expenditures for the LNP solely to those costs absolutely necessary to obtain the combined construction and operating license (“COL”) for the project. Insofar as DEF’s filing in this docket comports with this condition, and provided that the Commission determines that DEF has carried its burden of proving the reasonableness of its actual and estimated LNP expenditures, PCS Phosphate does not dispute DEF’s filing relating to LNP in the 2013 proceeding.

PCS Phosphate remains concerned that any LNP activities following the issuance of a COL will generate significant and unsustainable consumer rate impacts absent a material restructuring of LNP project ownership. PCS Phosphate urges the Commission to remain vigilant throughout the period covered by the Stipulation regarding the long-term financial implications of any decision by PEF to pursue construction of the Levy Project.

With respect to the costs of the Crystal River 3 Uprate Project (“CR3 Uprate”), PCS Phosphate maintains that, given DEF’s decision to retire the CR3 nuclear power plant, DEF should have halted, avoided or minimized all CR3 uprate expenditures in 2012 and 2013 to the maximum extent feasible. The Commission should require a specific and detailed justification for each and every Uprate expenditure that was not deferred. Florida’s nuclear cost recovery statute aimed to promote responsible investment in nuclear energy in Florida, but never intended to countenance wasting ratepayer dollars on a doomed project.

Finally, following DEF’s decision to retire CR3, PCS Phosphate agrees with OPC that the Commission must consider what is the proper rate treatment regarding the Balance of Plant Uprate of CR3 as it relates to DEF’s December 7, 2009 base rate tariff filing.

E. STATEMENT ON SPECIFIC ISSUES

With respect to the various issues presented in this proceeding, PCS Phosphate takes no position regarding the resolution of the issues with respect to Florida Power & Light. PCS Phosphate takes the following positions on the specific issues presented below as they pertain to DEF:

Duke Energy Florida, Inc., Issues

DEF – Levy Project Issues

Issue 18: Do DEF’s activities since January 2012 related to the proposed Levy Units 1 & 2 qualify as “siting, design, licensing and construction” of a nuclear power plant as contemplated by Section 366.93, F.S.?

PCS Phosphate: No position at this time.

Issue 19: Should the Commission approve what DEF has submitted as its 2013 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?

PCS Phosphate: No position at this time.

Issue 19A: What is the current total estimated all-inclusive cost (including AFUDC and sunk costs) of the proposed Levy Units 1 & 2 nuclear project?

PCS Phosphate: No position.

Issue 19B: What is the current estimated planned commercial operation date of the planned Levy Units 1 & 2 nuclear facility?

PCS Phosphate: No position.

Issue 20: What are the jurisdictional amounts for Levy Units 1 & 2 project activities that are related to obtaining a combined license from the Nuclear Regulatory Commission or certification during 2013 and 2014?

PCS Phosphate: No position.

Issue 21: Should the Commission find that, for the year 2012, DEF'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?

PCS Phosphate: No position.

Issue 22: What jurisdictional amounts should the Commission approve as DEF's final 2012 prudently incurred costs and final true-up amounts for the Levy Units 1 & 2 project?

PCS Phosphate: No position at this time.

Issue 23: What jurisdictional amounts should the Commission approve as reasonably estimated 2013 costs and estimated true-up amounts for DEF's Levy Units 1 & 2 project?

PCS Phosphate: No position at this time.

Issue 24: What jurisdictional amounts should the Commission approve as reasonably projected 2014 costs for DEF's Levy Units 1 & 2 project?

PCS Phosphate: No position at this time.

Issue 25: What is the appropriate regulatory treatment of any amount equal to the difference between the collections pursuant to Order No. PSC-12-0104-FOF-EI and the sum of recoverable amounts identified in the prior issues?

PCS Phosphate: No position at this time.

DEF - CR3 Uprate Project Issues

Issue 26: What action, if any, should the Commission take as a result of the DEF decision to retire the CR3 unit with respect to the Balance of Plant Uprate of CR3 associated with the December 7, 2009 base rate tariff filing by DEF? (Disputed Issue)

PCS Phosphate: PCS Phosphate agrees with and adopts the position of the OPC.

Issue 27: Should the Commission find that, for the year 2012, DEF'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?

PCS Phosphate: PCS Phosphate agrees with and adopts the position of the OPC.

Issue 27A: Has Duke undertaken reasonable and prudent measures to mitigate the CR3 uprate asset (e.g., through salvage, sale, cost reduction, etc.) following its decision to retire CR3? If not, what action, if any, should the Commission take?

PCS Phosphate: PCS Phosphate agrees with and adopts the position of the OPC.

Issue 28: What jurisdictional amounts should the Commission approve as DEF's final 2012 prudently incurred costs and final true-up amounts for the Crystal River Unit 3 Uprate project?

PCS Phosphate: PCS Phosphate agrees with and adopts the position of the OPC.

Issue 29: What jurisdictional amounts should the Commission approve as reasonably estimated 2013 costs and estimated true-up amounts for DEF's Crystal River Unit 3 Uprate project?

PCS Phosphate: PCS Phosphate agrees with and adopts the position of the OPC.

Issue 30: What jurisdictional amounts should the Commission approve as reasonably projected 2014 costs for DEF's Crystal River Unit 3 Uprate project?

PCS Phosphate: PCS Phosphate agrees with and adopts the position of the OPC.

PEF – Final Fall-out Issue

Issue 31: What is the total jurisdictional amount to be included in establishing DEF's 2014 Capacity Cost Recovery Clause factor?

PCS Phosphate: No position at this time.

F. STIPULATED ISSUES

None.

G. PENDING MOTIONS

None.

H. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

None.

I. OBJECTIONS TO QUALIFICATIONS OF WITNESS AS EXPERT

None at this time.

J. REQUIREMENTS OF ORDER ESTABLISHING PROCEDURE

There are no requirements of the *Procedural Order* with which PCS Phosphate cannot comply.

Respectfully submitted the 3rd day of July, 2013.

BRICKFIELD, BURCHETTE, RITTS & STONE, P.C.

s/ James W. Brew

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing has been furnished by electronic mail and/or U.S. Mail this 3rd day of July 2013 to the following:

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