

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear cost recovery clause.

DOCKET NO. 140009-EI

DATED: June 30, 2014

COMMISSION
CLERK

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COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-14-0082-PCO-EI, filed February 4, 2014, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

<u>Witness</u>	<u>Subject</u>
Ronald A. Mavrides	Commission Staff's Audit Report of Duke Energy Florida, Inc.'s (DEF) Crystal River Unit 3 Power Uprate and Levy Units 1 & 2 Construction
Jeffery A. Small	Commission Staff's Audit Report of DEF's Crystal River Unit 3 Power Uprate and the Levy Units 1 & 2 Construction
William Coston & Lynn Fisher	Commission Staff's Project Management Audits of DEF's Crystal Unit 3 Power Uprate and the Levy Units 1 & 2 Construction
William Coston & Jerry Hallenstein	Commission Staff's Project Management Audits of DEF's Crystal River Unit 3 Power Uprate and Levy Units 1 & 2 Construction
Bety Maitre	Commission Staff's Audit Report of Florida Power & Light Company (FPL) Nuclear Power Uprate
Gabriela Leon	Commission Staff's Audit Report of Florida Power & Light Company Nuclear Plant Additions Turkey Point Units 6 & 7
David Rich & Jerry Hallenstein	Commission Staff's Project Management Audits of FPL's St. Lucie Units 1 & 2 and Turkey Point Units 3 & 4 Power Uprate and Turkey Point Units 6 & 7 New Construction

2. All Known Exhibits

Staff intends to offer the following exhibits associated with the testimony of Ronald A. Mavrides:

<u>Exhibit</u>	<u>Title</u>
RAM-1	Auditor's Report – DEF's Levy Nuclear Plant Units 1 & 2 Twelve Months Ended December 31, 2013
RAM-2	Auditor's Report - DEF's Crystal River Unit 3 Uprate Twelve Months Ended December 31, 2013

Staff intends to offer the following exhibits associated with the testimony of Jeffery A. Small:

<u>Exhibit</u>	<u>Title</u>
JAS-1	Auditor's Report – DEF's Levy Nuclear Plant Units 1 & 2 Twelve Months Ended December 31, 2012
JAS-2	Auditor's Report – DEF's Crystal River Unit 3 Uprate Twelve Months Ended December 31, 2012

Staff intends to offer the following exhibit associated with the testimony of William Coston & Lynn Fisher:

<u>Exhibit</u>	<u>Title</u>
CF-1	Review of DEF's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects dated June 2014

Staff intends to offer the following exhibit associated with the testimony of William Coston & Jerry Hallenstein:

<u>Exhibit</u>	<u>Title</u>
CH-1	Review of DEF's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects dated June 2013

Staff intends to offer the following exhibit associated with the testimony of Bety Maitre:

<u>Exhibit</u>	<u>Title</u>
BM-1	Auditor's Report – FPL Extended Power Uprate St. Lucie Units 1 & 2 and Turkey Point Units 3 & 4 Twelve Months Ended December 31, 2013

Staff intends to offer the following exhibit associated with the testimony of Gabriela Leon:

<u>Exhibit</u>	<u>Title</u>
GL-1	Auditor's Report – FPL Turkey Point Units 6 & 7 Twelve Months Ended December 31, 2013

Staff intends to offer the following exhibit associated with the testimony of David Rich & Jerry Hallenstein:

<u>Exhibit</u>	<u>Title</u>
RH-1	Review of FPL's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects dated June 2014

3. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

4. Staff's Position on the Issues

Duke Energy Florida, Inc. (DEF) Levy Project

ISSUE 1: Should the Commission find that during the years 2012 and 2013, DEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Levy Units 1 & 2 project?

POSITION: No position at this time.

ISSUE 2: Has DEF reasonably accounted for COL pursuit costs pursuant to paragraph 12(b) of the 2013 revised and restated stipulation and settlement agreement?

POSITION: No position at this time.

ISSUE 2A: What jurisdictional amounts should the Commission approve as DEF's final 2012 and 2013 prudently incurred cost for the Levy Units 1 & 2 project?

POSITION: No position at this time.

ISSUE 3: Should the Commission approve DEF's Levy Project exit and wind down costs and other sunk costs as specifically proposed for recovery or review in this docket?

POSITION: No position at this time.

ISSUE 4: What action, if any, should the Commission take in the 2014 hearing cycle with respect to the \$54,127,100 in Long Lead Equipment milestone payments, previously recovered from customers through the NCRC, which were in payment for Turbine Generators and Reactor Vessel Internals that were never manufactured?

POSITION: No position at this time.

ISSUE 5: What restrictions, if any, should the Commission place at this time on DEF's attempts to dispose of Long Lead Equipment?

POSITION: No position at this time.

DEF CR3 Uprate Project

ISSUE 6: Should the Commission find that during the years 2012 and 2013, DEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Crystal River Unit 3 Uprate project?

POSITION: No position at this time.

ISSUE 7: What jurisdictional amounts should the Commission approve as DEF's final 2012 and 2013 prudently incurred cost for the Crystal River Unit 3 Uprate project?

POSITION: No position at this time.

ISSUE 8: Should the Commission approve DEF's Crystal River Unit 3 Uprate Project exit and wind down costs and other sunk costs as specifically proposed for recovery or review in this docket?

POSITION: No position at this time.

DEF Ultimate Issue

ISSUE 9: What is the total jurisdictional amount to be included in establishing DEF's 2015 Capacity Cost Recovery Clause Factor?

POSITION: No position at this time.

Florida Power & Light Company (FPL) Turkey Point (TP) 6 & 7 Project

ISSUE 10: Should the Commission approve what FPL has submitted as its 2014 annual detailed analysis of the long-term feasibility of completing the Turkey Point Units 6 & 7 project, as provided for in Rule 25-6.0423, F.A.C?

POSITION: No position at this time.

ISSUE 10A: 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 estimated cost reasonable?

POSITION: No position at this time.

ISSUE 10B: What is the current estimated planned commercial operation date of the planned Turkey Point Units 6 & 7 nuclear facility and is that estimated commercial operation date reasonable?

POSITION: No position at this time.

ISSUE 11: Should the Commission find that FPL's 2013 project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Turkey Point Units 6 & 7 project?

POSITION: No position at this time.

ISSUE 12: What jurisdictional amounts should the Commission approve as FPL's final 2013 prudently incurred costs and final true-up amounts for the Turkey Point Units 6 & 7 project?

POSITION: No position at this time.

ISSUE 13: What jurisdictional amounts should the Commission approve as reasonably estimated 2014 costs and estimated true-up amounts for FPL's Turkey Point Units 6 & 7 project?

POSITION: No position at this time.

ISSUE 14: What jurisdictional amounts should the Commission approve as reasonably projected 2015 costs for FPL's Turkey Point Units 6 & 7 project?

POSITION: No position at this time.

FPL Extended Power Uprate (EPU) Project

ISSUE 15: Should the Commission find that FPL's 2013 project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Extended Power Uprate project?

POSITION: No position at this time.

ISSUE 16: What jurisdictional amounts should the Commission approve as FPL's final 2013 prudently incurred costs and final true-up amounts for the Extended Power Uprate project?

POSITION: No position at this time.

FPL Ultimate Issue

ISSUE 17: What is the total jurisdictional amount to be included in establishing FPL's 2015 Capacity Cost Recovery Clause factor?

POSITION: No position at this time.

5. Stipulated Issues

There are no stipulated issues at this time.

6. Pending Motions

Staff has no pending motions at this time.

7. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests.

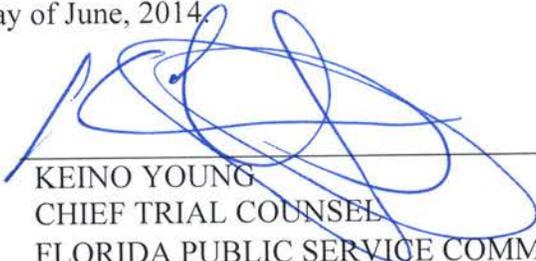
8. Objections to Witness Qualifications as an Expert

Staff has no objections to any witness's qualifications as an expert.

9. Compliance with Order No. PSC-14-0082-PCO-EI

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 30th day of June, 2014.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original of STAFF'S PREHEARING STATEMENT has been filed with Office of Commission Clerk and one copy has been furnished to the following by electronic mail on this 30th day of June, 2014:

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