

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval to include in base rates the revenue requirement for the CR3 regulatory asset, by Duke Energy Florida, Inc.

DOCKET NO. 150148-EI
ORDER NO. PSC-15-0254-PCO-EI
ISSUED: June 25, 2015

ORDER GRANTING PETITION TO INTERVENE

BY THE COMMISSION:

In February 2013, Duke Energy Florida, Inc. (DEF) announced its decision to retire its nuclear plant, Crystal River Unit 3 (CR3), in Citrus County, Florida. The retirement of CR3 was the subject of two settlement agreements. The first settlement agreement, reached in 2012, was replaced by the second settlement agreement, the 2013 Revised and Restated Stipulation and Settlement Agreement (“RRSSA”).¹ Among other things, the RRSSA contemplated that DEF would create a regulatory asset to account for the recovery of costs associated with the retirement of CR3.

On May 22, 2015, pursuant to Sections 366.04(1) and 366.05, Florida Statutes, (F.S.), and in accordance with the RRSSA, DEF filed a petition with the Commission requesting approval to include in base rates the revenue requirement for the CR3 Regulatory Asset along with supporting testimony and exhibits. DEF asserts that it has complied with the RRSSA and is therefore entitled to recover the value of the CR3 Regulatory Asset in base rates. Further, DEF asserts all reasonable and prudent efforts were used to maximize salvage value and minimize costs that were charged to the CR3 Regulatory Asset for the benefit of DEF’s customers

By petition, dated June 5, 2015, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate), a signatory to the RRSSA, has requested permission to intervene in this proceeding. No responses were filed in opposition to this request and the time to file an objection has expired.

Petition for Intervention

According to its petition, PCS Phosphate is a manufacturer of fertilizer products with plants and operations located within DEF’s electric service territory, and as such, it receives service under various DEF rate schedules. PCS Phosphate asserts that in this proceeding, the Commission will review DEF’s proposal to recover the value of the CR3 Regulatory Asset in base rates and will determine whether DEF has complied with the terms of the RRSSA. PCS Phosphate is both a signatory to the RRSSA and a large customer of Duke that will be subject to cost recovery through base rates of the revenue requirement for the CR3 Regulatory Asset. As a

¹ See, Order No. PSC-13-0598-FOF-EI, issued November 12, 2013, in Docket No. 130208-EI, as amended by Order No. PSC-13-0598A-FOF-EI, issued November 13, 2013, In re: Petition for limited proceeding to approve revised and restated stipulation and settlement agreement by Duke Energy Florida, Inc. d/b/a Duke Energy.

result, PCS Phosphate will be directly and substantially affected by the outcome of these proceedings.

Standard for Intervention

Pursuant to Rule 25-22.039, Florida Administrative Code, (F.A.C.),

Persons, other than the original parties to a pending proceeding, who have a substantial interest in the proceeding, and who desire to become parties may petition the presiding officer for leave to intervene. Petitions for leave to intervene must be filed at least five (5) days before the final hearing, must conform with Uniform subsection 25-106.201, (F.A.C.), and must include allegations sufficient to demonstrate that the intervenor is entitled to participate in the proceeding as a matter of constitutional or statutory right or pursuant to Commission rule, or that the substantial interests of the intervenor are subject to determination or will be affected through the proceeding...

To have standing, the intervenor must meet the two-prong standing test set forth in Agrico Chemical Company v. Department of Environmental Regulation, 406 So.2d 478 (Fla. 2nd DCA 1981). The intervenor must show (1) he or she will suffer injury in fact which is of sufficient immediacy to entitle the intervenor to a Section 120.527, F.S., hearing, and (2) the substantial injury is of a type or nature which the proceeding is designed to protect. The first aspect of the test deals with the degree of injury. The second deals with the nature of the injury. The "injury in fact" must be both real and immediate and not speculative or conjectural. International Jai-Alai Players Assn. v. Florida Pari-Mutuel Commission, 561 So. 2d 1224, 1225-26 (Fla. 3rd DCA 1990). See also, Village Park Mobile Home Assn., Inc. v. State Dept. of Business Regulation, 506 So. 2d 426, 434 (Fla. 1st DCA 1987), rev. den., 513 So. 2d 1063 (Fla. 1987) (speculation on the possible occurrence of injurious events is too remote).

Analysis and Ruling

Having reviewed the Petition, it appears that PCS Phosphate meets the two-prong test of Agrico. PCS Phosphate is an industrial customer of DEF with plans and operations located within DEF's electric service territory, and its interests may be substantially affected by this proceeding. Therefore, the Petition shall be granted. Pursuant to Rule 25-22.039, F.A.C., PCS Phosphate takes the case as it finds it.

Therefore, it is

ORDERED by Commissioner Ronald A. Brisé, as Prehearing Officer, that the Petition to Intervene filed by White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs is hereby granted. It is further

ORDERED that all parties to this proceeding shall furnish copies of all testimony, exhibits, pleadings and other documents which may hereinafter be filed in this proceeding, to:

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By ORDER of Commissioner Ronald A. Brisé, as Prehearing Officer, this 25th day
of June, 2015.



RONALD A. BRISÉ
Commissioner and Prehearing Officer
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.