

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear cost recovery clause.

DOCKET NO. 150009-EI
ORDER NO. PSC-15-0317-PHO-EI
ISSUED: August 7, 2015

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on July 21, 2015, in Tallahassee, Florida, before Chairman Art Graham, as Prehearing Officer.

APPEARANCES:

DIANNE M. TRIPLETT, and MATTHEW R. BERNIER, ESQUIRES, Duke Energy Florida, Inc., Post Office Box 14042, Saint Petersburg, Florida 33733; JAMES MICHAEL WALLS and BLAISE N. GAMBA, ESQUIRES, Carlton Fields Jordan Burt, P.A., Post Office Box 3239, Tampa, Florida 33601-3239

On behalf of Duke Energy Florida, Inc. (DEF)

JESSICA CANO, and KEVIN I.C. DONALDSON, ESQUIRES, Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408

On behalf of Florida Power & Light Company (FPL)

J.R. KELLY, CHARLES J. REHWINKEL, PATRICIA A. CHRISTENSEN, and ERIK L. SAYLER, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399-1400

On behalf of the Citizens of the State of Florida (OPC)

JON MOYLE, JR., VICKI GORDON KAUFMAN, and KAREN A. PUTNAL, ESQUIRES, Moyle Law Firm, P.A., 118 North Gadsden Street, Tallahassee, Florida 32301

On behalf of the Florida Industrial Power Users Group (FIPUG)

JAMES W. BREW, OWEN J. KOPON, and LAURA A. WYNN, ESQUIRES, Stone Mattheis Xenopoulos & Brew, PC, 1025 Thomas Jefferson St., NW, Eighth Floor, West Tower, Washington, DC 20007

On behalf of White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (PCS Phosphate)

GEORGE CAVROS, ESQUIRE, 120 E. Oakland Park Boulevard, Suite 105, Fort Lauderdale, Florida, 33334

On behalf of the Southern Alliance for Clean Energy (SACE)

ROBERT SCHEFFEL WRIGHT and JOHN T. LAVIA, III, ESQUIRES,
Gardner, Bist, Bowden, Bush, Dee, LaVia & Wright, P.A., 1300 Thomaswood
Drive, Tallahassee, Florida 32308

On behalf of the Florida Retail Federation (FRF)

VICTORIA MÉNDEZ and MATTHEW HABER, ESQUIRES, City of Miami,
444 S.W. 2nd Avenue, Suite 945, Miami, Florida 33130-1910

On behalf of City of Miami (Miami)

MARTHA BARRERA and KYESHA MAPP, ESQUIRES, Florida Public
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-
0850

On behalf of the Florida Public Service Commission (Staff)

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-
0850

Advisor to the Florida Public Service Commission

PREHEARING ORDER

I. CASE BACKGROUND

In 2006, the Florida Legislature adopted legislation encouraging the development of nuclear energy in the state. Section 366.93, Florida Statutes (F.S.), directed the Commission to adopt rules providing for alternate cost recovery mechanisms that will encourage investor-owned electric utilities to invest in nuclear power plants. The Commission adopted Rule 25-6.0423, Florida Administrative Code (F.A.C.), which provides for a clause recovery proceeding annually to consider investor-owned utilities' requests for cost recovery for nuclear plants.

Both FPL and DEF petitioned the Commission for recovery of costs through the Nuclear Cost Recovery Clause (NCRC) on March 2, 2015. This is the eighth year of this roll-over docket, which is set for hearing on August 18-20, 2015. OPC, FIPUG, PCS Phosphate, SACE, FRF, and Miami have each been granted intervention in this docket. On July 8, 2015, Prehearing Statements were filed by FPL, DEF, Staff, OPC, FIPUG, FRF, PCS Phosphate, SACE, and Miami.

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

III. JURISDICTION

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 366, F.S. This hearing will be governed by said Chapter and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) The Commission and Commission staff will have confidential versions of the prefiled testimony and prefiled exhibits available for their use in the hearing room. The party intending to use confidential prefiled testimony or exhibits shall prepare sufficient copies for use by the witness. All other parties are responsible for providing their own copy of the confidential prefiled testimony and prefiled exhibits.
- (3) Any party intending to use confidential prefiled testimony or exhibits shall coordinate with Commission staff prior to the commencement of the hearing to identify what portions of the confidential prefiled testimony or exhibits shall be used at the hearing.

- (4) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to five minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

VI. ORDER OF WITNESSES

Each witness whose name is preceded by a plus sign (+) will present direct and rebuttal testimony together.

FLORIDA POWER & LIGHT COMPANY

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Steven D. Scroggs	FPL	1, 2, 3B, 3C, 4, 5, 6, 7
Nils Diaz	FPL	4
John J. Reed	FPL	2, 4
Jennifer Grant-Keene	FPL	2, 4, 5, 6, 7
Steven R. Sim (Adopted testimony of Richard O. Brown)	FPL	1
William R. Jacobs, Jr. PhD.	OPC	1, 2, 3, 4, 5, 6, 7
Iliana H. Piedra	Staff	2
David Rich	Staff	2
Eugene T. Meehan	Miami	1

Rebuttal

Steven D. Scroggs	FPL	1, 1A, 3B, 3C
John J. Reed	FPL	1
Steven R. Sim	FPL	1

DUKE ENERGY FLORIDA, INC.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
Thomas G. Foster	DEF	8, 9, 10, 11, 12, 13, 14, 15, 16
Mark R. Teague	DEF	12, 13, 14, 15, 16
Christopher M. Fallon	DEF	8, 9, 10, 11, 16
Ronald A. Mavrides	Staff	8, 12
William Coston	Staff	8, 12

VII. BASIC POSITIONS

FPL: Section 403.519(4), Florida Statutes, Section 366.93, Florida Statutes, and Rule 25-6.0423, Florida Administrative Code (“the Rule”) establish the legal and regulatory framework for the recovery of costs in the development of nuclear generation in Florida.¹ Section 403.519(4), Florida Statutes, applies to the determination of need for a nuclear-fueled power plant. This section emphasizes the Florida Legislature’s desire to improve fuel diversity, reduce dependence on fuel oil and natural gas, reduce air emission compliance costs, and contribute to the long-term stability and reliability of the electric grid in Florida; establishes the prudence standard that shall be applied in nuclear cost recovery proceedings; and makes clear that a utility is entitled to recover all prudently incurred costs. Specifically, the statute states that after a determination of need is granted, “the right of a utility to recover any costs incurred prior to commercial operation, including but not limited to costs associated with the siting, design, licensing, or construction of the plant...shall not be subject to challenge” unless a preponderance of the evidence supports a finding that “certain costs” were imprudently incurred. The statute further makes clear that (i) proceeding with the construction of the nuclear power plant following an order by the Commission approving the need for it “shall not constitute or be evidence of imprudence” and (ii) “imprudence shall not include any cost increases due to events beyond the utility’s control.” *See* § 403.519(4)(e), Fla. Stat.

Section 366.93, Florida Statutes, requires the Commission to establish by rule a cost recovery framework that promotes utility investment in nuclear power plants and allows for the recovery of all prudently incurred preconstruction costs and the carrying costs on construction cost balances. It also entitles utilities to increase their base rates upon commercial operation of the nuclear power plant, requires annual reporting of budgeted and actual costs, and provides for cost recovery should the project be cancelled. *See* §366.93(4), (5), and (6), Fla. Stat., respectively. In response to this legislative direction, the Commission promulgated Rule 25-6.0423, Florida Administrative Code (“the Rule”). The stated purpose of the Rule is to establish an alternative cost recovery mechanism that promotes utility investment in nuclear power plants and allow for recovery of all prudently incurred costs. It also provides for the recovery of reasonable actual/estimated costs for the current year and reasonable projected costs for the following year.

FPL’s Turkey Point 6 & 7 project qualifies for cost recovery pursuant to the Nuclear Cost Recovery (“NCR”) statute and Rule. The project was granted an affirmative determination of need by the Commission pursuant to Section 403.519(4), Florida Statutes, and FPL is therefore entitled to recover all its

¹All references to Florida statutes are to the 2014 Florida Statutes.

prudent and reasonable costs. *See* Order No. PSC-08-0237-FOF-EI, issued April 11, 2008 (making an affirmative determination of need for Turkey Point 6 & 7).

As demonstrated in the testimony, exhibits, and Nuclear Filing Requirements (“NFRs”) filed in this docket, FPL’s expenditures in 2014 were prudently incurred. Additionally, FPL’s actual/estimated 2015 expenditures and projected 2016 expenditures for the Turkey Point 6 & 7 project are reasonable. The FPSC Office of Auditing Performance and Analysis’s 2015 report on FPL’s project management internal controls concludes that FPL’s project internal controls, risk evaluation, and management oversight for the Turkey Point 6 & 7 project are adequate. Furthermore, no party has filed testimony disputing FPL’s continued pursuit of the licensing needed for the project or the prudence or reasonableness of any particular cost sought for recovery. Accordingly, the Commission should approve FPL’s request to recover \$34,249,614 through the Capacity Cost Recovery Clause (“CCRC”) during the period January – December 2016. This equates to a typical residential customer monthly bill impact of approximately \$0.34 per 1,000 kilowatt-hours (kWh). This requested recovery amount excludes the costs FPL is incurring to further refine and validate its feasibility analysis assumptions – specifically, the project schedule and resulting cost. At this time, FPL requests a Commission determination that conducting those activities and incurring those costs is reasonable. FPL also has demonstrated that its 2015 feasibility analysis for the Turkey Point 6 & 7 project is reasonable and should be approved.

DEF: **1. Levy Nuclear Project**

With the execution of the 2013 Revised and Restated Stipulation and Settlement Agreement (“2013 Settlement Agreement”) approved by the Commission, DEF elected not to complete construction of the LNP and DEF subsequently terminated the EPC Agreement with WEC and S&W (collectively, the “Consortium”) in early 2014. DEF and WEC have since initiated litigation against the other for claims under the EPC Agreement. DEF is vigorously prosecuting its claims against WEC and defending the WEC claims against DEF under the EPC Agreement in the litigation pending in federal court in North Carolina.

Following cancellation, DEF prudently implemented a wind-down plan for in-progress LNP LLE and made disposition decisions on all LLE except the Variable Frequency Drives (“VFDs”). DEF is currently in the process of evaluating its options and DEF intends to make a disposition decision regarding the VFDs this year. DEF expects to conclude its LLE disposition efforts in 2015 and, consequently, DEF is only projecting minimal other wind-down/exit and project management costs beyond 2015. This projection does not take into account any costs or credits that DEF simply is not able to reasonably quantify at this time, including costs or credits resulting from the WEC litigation. Any proceeds from

the sale or salvage of LNP assets will be credited against the remaining unrecovered balance.

On March 2, 2015, DEF requested that the Commission order an end to the fixed portion of the LNP NCRC charge as provided for in the 2013 Settlement Agreement. The Petition was granted and the recovery of LNP costs using the fixed factor ended effective the first billing cycle of May, 2015. As a result, to set the 2016 CCRC factor DEF is presenting its known LNP costs in accordance with Section 366.93, Florida Statute, and Rule 25-6.0423(7), F.A.C. DEF's request for cost recovery includes (1) actual and estimated exit and wind-down costs, (2) the amortization of the true-up of prior period costs, (3) associated carrying costs on the unrecovered balance including the LLE deferred balance, and (4) the continued amortization of the deferred balance.

DEF currently plans to continue its COLA work in order to obtain the Combined Operating License ("COL") for the LNP site from the Nuclear Regulatory Commission ("NRC"). At this time, DEF anticipates COL receipt for the LNP site in May 2016. Additionally, pursuant to the 2013 Settlement Agreement, DEF is not including COLA, environmental permitting, wetlands mitigation, conditions of certification, and other costs related to the COL for the LNP site in its request for cost recovery.

DEF has taken reasonable and prudent efforts to minimize costs, curtail avoidable future costs, and sell or otherwise salvage LNP assets. Based on the testimony and exhibits filed in this docket, DEF is entitled to a determination that all of DEF's prior period LNP costs are prudent, and that all of DEF's actual/estimated 2015 and projected 2016 costs presented for the LNP are reasonable, consistent with Section 366.93(6), Florida Statutes, and Rule 25-6.0423(7), F.A.C.

2. EPU Project

As a result of the decision to retire CR3, the EPU project was not needed and was accordingly cancelled. In 2014 and 2015, DEF continued work to disposition EPU assets and materials in accordance with the CR3 investment recovery project policies and procedures -- CR3 Administrative Procedure, AI-9010, *Conduct of CR3 Investment Recovery*, and the Investment Recovery Project, Project Execution Plan -- as described in the testimony of Mr. Teague. The investment recovery project team was able to disposition many of the EPU assets, through internal transfers, bid events, and a world-wide auction.

DEF anticipates closing out the EPU portion of the investment recovery project in the summer of 2015 once all EPU-related assets are finally disposed of and removed from the plant or abandoned in-place. Value received from sale or salvage of EPU-related assets has been and will continue to be credited back to DEF's customers to reduce the remaining unrecovered investment. There are no 2016 EPU closeout costs projected for 2016 and only minimal other wind-

down/exit costs are projected for 2016 as discussed in the testimony of Mr. Foster.

DEF has taken reasonable and prudent efforts to minimize costs and curtail avoidable future costs and sell or otherwise salvage EPU assets. DEF's 2014 actual, 2015 actual/estimated and 2016 projected costs are reasonable and prudent and DEF is entitled to recover its EPU project wind-down and exit costs pursuant to the nuclear cost recovery statute and rule.

OPC: FPL

FPL is in the process of obtaining the combined license (COL) from the Nuclear Regulatory Commission (NRC) for Turkey Point Units 6 and 7. The current NRC schedule for the issuance of the COL is March 2017.

Per Rule 25-6.0423, Florida Administrative Code, FPL has filed its 2015 long-term feasibility study to support its continuing with Turkey Point Units 6 and 7 project. The primary cost drivers in FPL's feasibility analyses are capital costs of the generation options, projected fuel costs and projected environmental impact costs. However, these three components of the feasibility analysis must accurately reflect the proposed project costs for the analysis to provide meaningful results which they do not. FPL's feasibility analysis of the Turkey Point Units 6 and 7 project is flawed because the analysis utilizes unreasonably low costs for Turkey Point Units 6 and 7. Although FPL claims that the Vogtle and Summer project costs informed its Turkey Point Units 6 and 7 feasibility study, FPL's feasibility study failed to consider the significant costs increases in the Vogtle and Summer nuclear projects for both the owners and contractor. While the Office of Public Counsel (OPC) is not recommending any adjustments for COL-related costs, FPL should be required to correct its flawed 2015 feasibility analysis during this cycle of the NCRC proceeding for the Commission's consideration as appropriate.

FPL has also proposed to incur, defer, and later recovery Initial Assessment costs. FPL asserts that the Initial Assessment costs are needed to develop its feasibility analysis for the Florida Public Service Commission to move from the COL phase to the pre-construction phase. FPL has asked to incur costs for Initial Assessments that are not related to obtaining or maintaining the COL. In light of the amendments to Section 366.93, F.S., costs not associated with obtaining or maintaining the COL cannot be incurred and deferred for later recovery prior to the NRC issuing the COL.

Prior to FPL proceeding from the licensing phase to the initiation of pre-construction work after receipt of the COL, FPL needs to correct its long-term feasibility study to reflect the actual costs of building Turkey Point Units 6 and 7. The corrected Turkey Point Units 6 and 7 project cost estimates that will be relied upon in the feasibility analysis should be based on actual, binding bids

from qualified EPC or EP/C contractors with an appropriate amount of contingency added to the bids. In lieu of binding bids from qualified contractors, the feasibility analysis should reflect the higher costs experienced in the Vogtle and Summer projects and at a minimum include the owners' costs and an estimate of the contractor's cost related to the Vogtle and Summer projects; and FPL should submit this updated analysis as a not-to-exceed cost or cap above which FPL would not seek cost recovery from ratepayers for the Turkey Point Units 6 and 7 project.

DEF

In Order No. PSC-15-0176-TRF-EI (consummated in Order No. PSC-15-0230-CO-EI), the Commission determined that DEF has recovered all known costs related to the Levy Nuclear Plant (LNP) Project. It is premature to determine if costs related to the Westinghouse Electric Company (WEC) litigation will ever become the subject of a future cost recovery petition by DEF under the NCRC. Until and if that time ever comes, there should be no provision for carrying costs associated with speculative WEC litigation costs including the putative carrying costs associated with the \$54 million in phantom equipment costs for which DEF has sued WEC in federal court. For this reason, there are no material costs remaining to be recovered in 2016 related to the LNP Project.

FIPUG:

FIPUG supports the development of cost effective, reasonable and prudent energy sources to serve Florida consumers. Utilities seeking to provide nuclear power have the burden to demonstrate that the nuclear projects that are the subject of this hearing are feasible and the most reasonable and cost-effective way to serve ratepayer needs. Accordingly, FIPUG demands that the utilities prove this and related facts as required by law. The Commission must bear in mind that, at the end of the day, it is the consumers who bear the cost burden of nuclear projects.

FPL

FIPUG continues to question whether the FPL Turkey Point Nuclear Project will be constructed for the monies suggested by FPL and whether the new nuclear units will achieve commercial operation within the timeframe forecast by FPL. How much the project is projected to cost and when it is expected to serve customers, and whether those projections are reasonable, are two important factual issues. FIPUG takes the position that the costs will be more than projected and the nuclear project will be available to serve ratepayers later than forecast.

PCS

PHOSPHATE: 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. In November 2013, in Order No. PSC-13-0598-FOF-EI, the Commission approved the Revised and Restated Stipulation and Settlement Agreement (“RRSSA”) among Duke and the intervenor settling parties. In the 2014 NCRC proceeding, the Commission approved the stipulated resolution of a number of issues related to DEF’s project management, contracting, accounting and cost oversight controls for the Levy Units 1 and 2 project and the CR3 Uprate project; the total prudently incurred jurisdictional amounts for the Levy Units 1 and 2 project and the CR3 Uprate project; and the CR3 Uprate Project exit and wind down costs. The Commission, in order PSC-14-0617-FOF-EI, addressed contested issues and required DEF to make a downward adjustment of \$54,127,100 to its projected 2015 project expenses related to the termination of the Levy EPC contract. Finally, in its May 6, 2015 order in this docket, Order No. PSC-15-0176-TRF-EI, the Commission approved DEF’s petition, submitted in accordance with the provisions of the RTSSA, to end recovery of the fixed Levy rate component in May of this year. In that order, the Commission declined DEF’s request to approve deferred collection of approximately \$54 million in unrecovered Levy costs (plus carrying charges) which DEF has claimed should be recovered from the Westinghouse consortium engaged by DEF to engineer and construct the Levy units.

Based upon the above-referenced Commission final determinations, there are no remaining known and recoverable costs associated with Levy Units 1 and 2 that are recoverable through the nuclear cost recovery clause in 2016. With respect to remaining clause-eligible costs associated with the now-defunct CR3 unit, Duke bears the burden of demonstrating the reasonableness of all costs and that its requested recovery is consistent with Section 366.93, Florida Statutes, Rule 25-6.0423, Florida Administrative Code, and the RRSSA.

SACE:

SACE supports the development of low cost, low risk energy resources primarily through increased energy efficiency implementation and meaningful renewable energy development. The proposed new Florida Power and Light (“FPL”) nuclear reactor project, Turkey Point (“TP”) units 6 & 7, is neither low cost, nor low risk. There is great uncertainty and risk surrounding the completion of the proposed project with all the financial risk being borne by its customers. FPL is seven years into the project and will not commit to a price for the two proposed TP reactors and will not commit to an in-service date, or that the reactors will be built at all. Further, FPL uses significantly low cost estimates for the two reactors that do not reflect real-world costs experienced by reactor construction projects here in the U.S. As the uncertainty and risk continue to increase, as it has every year, the non-binding cost estimate range increases and projected in-service dates become

nothing more than placeholders for the next projected in-service date delay and price increase announcement.

Several Toshiba Westinghouse AP-1000 projects, the reactor design chosen by FPL, are experiencing delays and significant cost overruns. The two AP-1000 reactor projects currently under construction in the U.S., Southern Nuclear Operating Company's Vogtle reactor units 3 & 4 in Georgia and SCANA's V.C. Summer reactor units 2 & 3 in South Carolina, are at least 39 months delayed beyond the original in-service estimates of April 2016 and April 2017 for both projects. Both projects have experienced significant cost increases and FPL has failed to reflect that reality in its feasibility analysis for TP 6 & 7. Therefore, FPL's project cost estimates are far too low, resulting in an unrealistic feasibility analysis.

SACE maintains that the FPL proposed new TP nuclear reactors remain infeasible and that the power company has not met the requirement of Rule 25-6.0423(5)(c)5, F.A.C., requiring that a utility seeking cost recovery must submit for Commission review and approval a detailed analysis demonstrating the long-term feasibility of completing the proposed new nuclear project. FPL has failed to complete and properly analyze a realistic feasibility analysis and has not met its burden of proving that the project is economically feasible. In addition to unrealistic construction costs, the Company's resource planning process, which forms the foundation for its economic feasibility analysis, does not place demand-side resources, such as energy efficiency, on a "level playing field" with supply-side resources in its analysis - thereby skewing the results of the analysis towards approval of the proposed TP reactors - which are currently only benefiting FPL shareholders with great uncertainty whether any benefit will accrue to current customers at all.

From a qualitative feasibility perspective, the net cumulative fuel savings benefits of the project, extolled by FPL as the prime benefit for customers, may not be realized by customers until 50 years from today - based on testimony in this year's docket.² This practically means that many customers will move away or pass away or their business will close before realizing any cumulative fuel savings benefit from the project, if at all - forcing customers to pay today for an alleged benefit that they may never receive in their lifetime.

There are simply lower cost, lower risk resources available to meet projected demand. As a result, cost recovery for FPL for costs related to these proposed new nuclear reactors should not be granted, nor should the Commission find that projected 2016 costs are reasonable.

² Pre-filed Testimony of Eugene Meehan on behalf of the City of Miami, Docket 150009-EI, June 22, 2015, p. 19 - 20.

SACE supported the cancellation of the Duke Energy Florida (“DEF”) Levy Nuclear Project (“LNP”) in the 130009 docket. SACE’s position continues to be that costs related to the wind down of both the LNP cancellation and the Crystal River Unit 3 (“CR3”) retirement be closely scrutinized to ensure that the recovery of costs protects the interests of DEF customers.

FRF: **FPL - Turkey Point Units 6&7 Project**

FPL is continuing the process of obtaining the combined license (“COL”) from the Nuclear Regulatory Commission (“NRC”) for Turkey Point Units 6&7 (“TP6&7”). The current NRC schedule projects the issuance of the COL for Turkey Point 6&7 to be in March 2017.

Per Rule 25-6.0423, Florida Administrative Code, FPL has filed its 2015 long-term feasibility study to support its continuing with the TP6&7 project. FPL’s feasibility analysis of the TP6&7 project is flawed because the analysis utilizes unreasonably low costs for the TP6&7 project itself. Although FPL claims that the Vogtle and Summer project costs informed its Turkey Point Units 6 and 7 feasibility study, FPL’s feasibility study failed to consider the significant cost increases in the Vogtle and Summer nuclear projects for both the owners and contractors. The FRF agrees with the Office of Public Counsel (“OPC”) that no adjustments should be made to FPL’s recovery of COL-related costs, and further agrees that FPL should be required to correct its flawed 2015 feasibility analysis during this cycle of the NCRC proceeding for the Commission’s consideration as appropriate.

FPL has also proposed to incur, defer, and later recover Initial Assessment costs. The FRF agrees with the OPC that, in light of controlling amendments to Section 366.93, Florida Statutes, costs not associated with obtaining or maintaining the COL cannot be incurred and deferred for later recovery prior to the NRC issuing the COL.

Before proceeding from the licensing phase to the initiation of pre-construction work after receipt of the COL, FPL must correct its long-term feasibility study to reflect the actual costs of building TP6&7, as well as the relative economic feasibility of potential alternatives to TP6&7. To protect customers, the corrected TP6&7 project cost estimates used in the feasibility analysis should be based on actual, binding bids from qualified EPC or EP/C contractors with an appropriate amount of contingency added to the bids. In lieu of binding bids from qualified contractors, the feasibility analysis should reflect the higher costs experienced in the Vogtle and Summer projects and at a minimum include the owners’ costs and an estimate of the contractor’s cost related to the Vogtle and Summer projects. In any case, again for the protection of customers, FPL should submit this updated analysis as a not-to-exceed cost or cap above which FPL would not seek cost recovery from ratepayers for the Turkey Point Units 6 and 7 project.

Duke Energy Florida

In Order No. PSC-15-0176-TRF-EI (consummated by Order No. PSC-15-0230-CO-EI), the Commission determined that DEF has recovered all known costs related to the Levy Nuclear Plant (LNP) Project. The FRF agrees with the OPC that it is premature to determine whether costs related to the Westinghouse Electric Company (WEC) litigation will ever become the subject of a future cost recovery petition by DEF under the NCRC. Until and unless that time ever comes, there should be no provision for carrying costs associated with speculative WEC litigation costs including the putative carrying costs associated with the \$54 million in phantom equipment costs for which DEF has sued WEC in federal court. For this reason, there are no material costs remaining to be recovered in 2016 related to the LNP Project.

MIAMI:

Florida's Administrative Code requires each utility seeking cost recovery for a nuclear power plant project to submit annually, for Commission approval, a detailed analysis of the long-term feasibility of completing the power plant. Fla. Admin. Code Ann. r. 25-6.0423(6)(c)(5). This long-term feasibility analysis must include evidence demonstrating that the utility intends to complete the power plant, including evidence demonstrating that this intent is "realistic and practical." *Id.*

While Miami supports the development of cost-effective, reasonable, and prudent energy sources to serve Florida ratepayers, FPL has not met its burden to demonstrate the Turkey Point units 6 & 7 project is cost-effective, and therefore a "realistic and practical" option, for the consumers who will bear the burden of its costs. Last year, the Office of Public Counsel ("OPC") noted that "based on FPL's own cost projections, the message of FPL's 2014 feasibility study is that the economic feasibility of Turkey Point 6 & 7 is dubious at the present time." Prehearing Statement of the Office of Public Counsel, In re: Nuclear Cost Recovery Clause, PSC Document No. 03449-14 (July 2, 2014). In that analysis, only two scenarios out of seven projected by FPL demonstrated that the project would be cost-effective for ratepayers over a forty year horizon. *Id.* Accounting for the sixty year horizon, overall only half of the scenarios FPL studied were predicted to be cost-effective for ratepayers. *Id.*

This year, the long-term feasibility analysis submitted by FPL remains equivocal in nature. FPL's determination that the Turkey Point units 6 & 7 project is economically feasible derives primarily from one basis: the assumptions made regarding the future value of carbon. However, these assumptions suppose that the price of carbon will increase eight times that which would result from inflation alone. Likewise, if the project is completed, ratepayers will wait fifty years to break even and many ratepayers will never be paid back. FPL's rebuttal testimony does not dispute the math on which these conclusions are based.

Moreover, the Turkey Point units 6 & 7 project is at a critical point in its life cycle. At this time, the impact on customers of terminating the project and including the costs already expended in rates would be manageable. The initial application for the project was submitted at time when the price outlook for fuel sources other than nuclear was much less optimistic than today. Furthermore, the additional power needed from Turkey Point units 6 & 7 has already been delayed to 2027, almost a decade after initially proposed.

Therefore, Miami respectfully requests that the Commission not approve FPL's 2015 long-term feasibility analysis as reasonable.

STAFF: 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.

VIII. ISSUES AND POSITIONS

Florida Power & Light Company

ISSUE 1: **Should the Commission approve as reasonable what FPL has submitted as its 2015 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?**

POSITIONS

FPL: Yes. FPL used a number of combinations of fuel and environmental compliance costs to serve as possible future scenarios with which to view the economics of Turkey Point 6 & 7. FPL regularly updates these fuel and environmental compliance cost projections along with a number of other assumptions such as the project cost and system load forecast for its economic analysis. FPL's assumptions include a reasonable CO2 compliance cost forecast based on the best information available at this time from a reputable, independent firm and a reasonable estimate for transmission investments in the Southeastern Florida area that could be avoided with the addition of Turkey Point 6 & 7. FPL evaluated seven future scenarios of fuel costs and environmental compliance costs assuming a 40-year life of Turkey Point 6 & 7 and seven scenarios assuming a 60-year life of Turkey Point 6 & 7. The breakeven capital costs are higher than FPL's non-binding cost estimate range (i.e., the results are favorable) in eight of the 14 fuel and environmental compliance cost scenarios analyzed. In the six remaining scenarios, the breakeven capital costs are within the non-binding cost estimate range. Based on this analysis, and utilizing FPL's current, well-founded non-binding cost estimate range, completion of Turkey Point 6 & 7 is projected to be solidly cost-effective for FPL's customers. The results of the analysis fully support the feasibility of continuing the Turkey Point 6 & 7 project and completing the licensing phase currently underway. (Sim, Scroggs, Reed)

DEF: No position.

OPC: No. FPL's 2015 feasibility analysis is flawed because the analysis utilizes unreasonably low costs for Turkey Point Units 6 and 7. The capital costs of the generation options, projected fuel costs and projected environmental impact cost components of the feasibility analysis must accurately reflect the proposed project costs for the analysis to provide meaningful results which they do not. FPL's feasibility study failed to consider the significant costs increases in the Vogtle and Summer nuclear projects for both the owners and contractor.

FIPUG: No.

PCS

PHOSPHATE: No position.

SACE: No. FPL has failed to complete and properly analyze a realistic feasibility analysis.

FRF: No. FPL's 2015 feasibility analysis is flawed because the analysis utilizes unreasonably low costs for Turkey Point Units 6 and 7. The capital costs of the generation options, projected fuel costs, and projected environmental regulatory cost components of the feasibility analysis must accurately reflect the proposed project costs for the analysis to provide meaningful results.

MIAMI: No. FPL's 2015 analysis of the economic feasibility of Turkey Point units 6 & 7 is equivocal and its determination of cost-effectiveness for ratepayers is based on unreasonable assumptions. Miami incorporates its statement of basic position by reference.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 1A: **What is the current total estimated all-inclusive cost (including AFUDC and sunk costs) of the proposed Turkey Point Units 6 & 7 nuclear project?**

POSITIONS

FPL: The overnight capital cost estimate range is \$3,844/kW to \$5,589/kW. When time-related costs such as inflation and carrying costs are included, and CODs of 2027 and 2028 are assumed, the total project non-binding cost estimate range is \$13.7 to \$20.0 billion for the 2,200 MW project. (Scroggs)

DEF: No position.

OPC: The current total estimated all-inclusive costs of Turkey Point Units 6 and 7 are based on non-binding estimates which are significantly understated.

FIPUG: FPL's current estimated costs are low and the ultimate cost of the proposed Turkey Point units 6 & 7 will likely exceed the cost figure FPL is projecting in this proceeding.

PCS

PHOSPHATE: No position.

SACE: The current estimated costs are too low, and the ultimate cost of the proposed Turkey Point Units 6 & 7 will likely significantly exceed current estimates.

FRF: The current total estimated all-inclusive costs of Turkey Point Units 6 and 7 are based on non-binding estimates which are significantly understated.

MIAMI: Adopt the position of OPC.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 1B: **What is the current estimated planned commercial operation date of the planned Turkey Point Units 6 & 7 nuclear facility?**

POSITIONS

FPL: FPL's current estimated in-service dates for Turkey Point Units 6 & 7 are June 2027 and June 2028, respectively. These dates reflect FPL's comprehensive project schedule review that followed receipt of the revised safety and environmental review schedules from the Nuclear Regulatory Commission in late 2014, the effect of the revised NCR statute, and review of the lessons learned from other U.S. AP1000 projects. (Scroggs)

DEF: No position.

OPC: No position.

FIPUG: The current estimated planned commercial operation dates of the planned Turkey Point Units 6 & 7, are overly optimistic. The actual commercial operation dates of these units will occur later in time than the commercial operation dates put forward by FPL.

PCS

PHOSPHATE: No position.

SACE: The in-service dates for the proposed reactors have already been moved back three times. The actual commercial operation dates of these reactors will occur further in time than these projected dates, if at all.

FRF: No position.

MIAMI: The current estimated planned commercial operation dates of the planned Turkey Point Units 6 & 7, are overly optimistic. The actual commercial operation dates of these units will occur later in time than the commercial operation dates put forward by FPL. Miami reserves the right to modify this position in its post-hearing brief.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 2: **Should the Commission find that FPL's 2014 project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Turkey Point Units 6 & 7 project?**

POSITIONS

FPL: Yes. FPL relied on its comprehensive corporate and overlapping business unit controls. These controls included FPL's Accounting Policies and Procedures; financial systems and related controls; FPL's annual budgeting and planning process and reporting and monitoring of costs incurred; and Business Unit specific controls and processes. The project internal controls were comprised of various financial systems, department procedures, work/desktop instructions and best practices, providing governance and oversight of project cost and schedule processes. The project management, cost estimation, and risk management attributes of FPL were highly developed, well documented, and adhered to by the project team. FPL's management decisions with respect to the Turkey Point 6 & 7 project were the product of properly qualified, well-informed FPL management following appropriate procedures and internal controls. (Scroggs, Reed, Grant-Keene)

DEF: No position.

OPC: No position.

FIPUG: No.

PCS

PHOSPHATE: No position.

SACE: No position.

FRF: No position.

MIAMI: No. Miami reserves the right to modify this position in its post-hearing brief.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 3A: (Legal): Pursuant to Section 366.93, Florida Statutes, can costs, which are not related to, or necessary for, obtaining or maintaining a combined license from the Nuclear Regulatory Commission for a nuclear power plant be incurred prior to the issuance of the COL and deferred for later recovery?

POSITIONS

FPL: Yes. Section 366.93 does not prohibit a utility from incurring costs unrelated to obtaining or maintaining a COL and does not prohibit the Commission from approving such costs as reasonable for future recovery. Sections 366.93(3)(b) and 366.93(3)(c) address the timing of recovery of costs (not recovery per se), and require Commission approval to begin “preconstruction work.” These sections do not address the incurrence or recovery of costs related to the feasibility analysis necessary to obtain Commission approval to begin “preconstruction work.” These types of costs (i.e., costs reasonably necessary for the Commission’s feasibility review) consistently have been recovered. A more restrictive interpretation of Sections 366.93(3)(b) or (c) could not be read consistently with Section 366.93(2), which states that the NCR mechanism “must be designed to promote utility investment in nuclear...power plants and allow for the recovery in rates of all prudently incurred costs”.

DEF: No position.

OPC: No. The plain language of Section 366.93, Florida Statutes, requires that only costs related to, or necessary for, obtaining or maintaining a combined license for the NCR prior to the issuance of the COL can be incurred. Further, the statute requires that before non-COL related preconstruction costs can be incurred, the utility must seek Commission approval and prove up the continued feasibility of the project and the reasonableness of the costs. Thus, no non-COL related costs can be incurred and deferred for later recovery prior to the NRC’s issuance of the COL.

FIPUG: Section 366.93, Florida Statutes, requires that only costs related to, or necessary for, obtaining or maintaining a combined license for the NCR prior to the issuance of the COL can be incurred. Further, the statute requires that before non-COL related preconstruction costs can be incurred, the utility must seek Commission approval and prove the continued feasibility of the project and the reasonableness of the costs. Thus, no non-COL related costs can or should be incurred and deferred for later recovery prior to the NRC’s issuance of the COL.

PCS

PHOSPHATE: No position.

SACE: Adopt position of OPC.

FRF: No. The plain language of Section 366.93, Florida Statutes, requires that only costs related to, or necessary for, obtaining or maintaining a combined license for the NCR prior to the issuance of the COL. Further, the statute requires that before preconstruction costs can be incurred, the utility must seek Commission approval and prove up the continued feasibility of the project and the reasonableness of the costs.

MIAMI: Adopt the position of OPC.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 3B: **Are the Initial Assessment costs incurred as set forth in FPL's Petition and Testimony for which FPL is seeking deferred recovery, costs that are related to or necessary for obtaining or maintaining a combined license?**

POSITIONS

FPL: Yes. Although the Initial Assessments are not "required" to obtain the COL, they are in fact related to the COL process. Initial Assessments are necessary to provide a more robust cost and schedule estimate to be used for the feasibility analysis. The feasibility analysis is part of the NCR process that enables FPL to obtain and maintain a COL. In order to obtain the cost recovery that allows FPL to obtain and then maintain the COL, the NCR filing requirements must be satisfied. Additionally, the Initial Assessments better inform the technical work necessary to maintain compliance with the COL.

Nonetheless, even if the Commission were to determine that FPL's Initial Assessment costs were not related to or necessary for obtaining or maintaining a COL, Section 366.93 does not prohibit FPL from incurring or deferring these costs for future recovery (see position on Issue 3A). (Scroggs)

DEF: No position.

OPC: No. As acknowledged by FPL the Initial Assessment costs are not related to, or necessary for, obtaining or maintaining a combined license for the NCR prior to the issuance of the COL. The Initial Assessment costs are non-COL related preconstruction costs.

FIPUG: No.

**PCS
PHOSPHATE:** No position.

SACE: Adopt position of OPC.

FRF: No. As acknowledged by FPL, the Initial Assessment costs are not related to, or necessary for, obtaining or maintaining a combined license for the NCR prior to the issuance of the COL. The Initial Assessment costs are preconstruction costs.

MIAMI: Adopt the position of OPC.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 3C: **Should the Commission approve FPL's proposal to incur and defer for later recovery its Initial Assessment costs, as set forth in FPL's petition and supporting testimony?**

POSITIONS

FPL: Yes. The performance of the Initial Assessments will increase the project schedule certainty and resulting project costs for use in the feasibility analysis required by the NCR statute to support authorization to begin preconstruction work. It is clear that other parties desire more schedule and cost certainty before FPL begins the next phase of the project, and that is exactly what the Initial Assessments are intended to provide, without engaging in "preconstruction work." The alternative would be to seek authorization to begin the preconstruction phase on a less-informed basis, or to delay such authorization and extend the project schedule by approximately two years. Such an approach would not be in customers' best interests. Accordingly, FPL's incurrence of these costs, which consist of \$1,842,105 in actual/estimated 2015 costs and \$3,157,895 in projected 2016 costs, and FPL's request to defer recovery is reasonable and should be approved. (Scroggs)

DEF: No position.

OPC: No. Based on the plain language of the statute, the Commission has no discretion to approve FPL's incurring non-COL related preconstruction costs for deferral and later recovery prior to the issuance of the COL.

FIPUG: No.

PCS

PHOSPHATE: No position.

SACE: Adopt position of OPC.

FRF: No. Based on the plain language of the statute, the Commission has no discretion to approve FPL's incurring preconstruction costs for deferral and later recovery prior to the issuance of the COL.

MIAMI: Adopt the position of OPC.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 4: What jurisdictional amounts should the Commission approve as FPL's actual 2014 prudently incurred costs and final true-up amounts for the Turkey Point Units 6 & 7 project?

POSITIONS

FPL: The Commission should approve FPL's final 2014 prudently incurred Turkey Point 6 & 7 Preconstruction expenditures of \$18,448,666 (jurisdictional), and the final 2014 true-up amount of (\$821,804). The Commission also should approve actual 2014 Preconstruction carrying charges of \$4,970,056 and the resulting true-up amount of \$130,292; and actual 2014 Site Selection carrying charges of \$158,482 and the resulting true-up amount of \$79. FPL's 2014 expenditures were supported by comprehensive procedures, processes and controls that help ensure those expenditures were prudent. The net 2014 jurisdictional true-up amount of (\$691,433) should be included in FPL's 2016 NCR amount. (Scroggs, Reed, Diaz, Grant-Keene)

DEF: No position.

OPC: No position.

FIPUG: Less than the \$18,448,666 (jurisdictional), the final 2014 true-up amount of (821,804), the \$4,970,056 in carrying charges, \$130,292 in true up sums, and \$158,482 in site selection carrying charges.

PCS

PHOSPHATE: No position.

SACE: None. FPL did not complete and properly analyze a realistic feasibility analysis in 2014. As such, requested cost recovery flowing from that deficient feasibility analysis, are not prudently incurred and should be denied.

FRF: No position.

MIAMI: Adopt the position of FIPUG. Miami reserves the right to modify this position in its post-hearing brief.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 5: What jurisdictional amounts should the Commission approve as reasonably estimated 2015 costs and estimated true-up amounts for FPL's Turkey Point Units 6 & 7 project?

POSITIONS

FPL: The Commission should approve as reasonable FPL's 2015 actual/estimated Preconstruction expenditures, upon which FPL's recovery request is based, of \$18,638,220 (jurisdictional, excluding Initial Assessment costs). This results in an actual/estimated 2015 true-up of \$6,089,262 (jurisdictional). The Commission also should approve FPL's 2015 actual/estimated Preconstruction carrying charges of \$6,646,558 and resulting true-up of \$11,769; and 2015 actual/estimated Site Selection carrying charges of \$159,744 and resulting true-up of \$598. The net 2015 true up amount of \$6,101,628 should be included in FPL's 2016 NCR amount. (Scroggs, Grant-Keene)

The Commission also should approve as reasonable FPL's total 2015 actual/estimated Preconstruction expenditures of \$21,537,791, which includes \$1,842,105 for Initial Assessment activities to better refine project schedule and cost information for FPL's 2016 feasibility analysis.

FPL's 2015 actual/estimated expenditures are supported by comprehensive procedures, processes and controls which help ensure that these costs are reasonable. (Scroggs, Grant-Keene)

DEF: No position.

OPC: The Commission should exclude any costs related to Initial Assessment Costs or any other non-COL related preconstruction cost, or cost not necessary to obtain or maintain the COL.

FIPUG: Less than the sums claimed by FPL. The Commission should exclude any costs related to Initial Assessment Costs or any other non-COL related preconstruction cost, or cost not necessary to obtain or maintain the COL.

PCS

PHOSPHATE: No position.

SACE: None. FPL did not complete and properly analyze a realistic feasibility analysis in 2014. As such, requested cost recovery flowing from that deficient feasibility analysis, are not prudently incurred and should be denied.

FRF: The Commission should exclude any costs related to Initial Assessment Costs, any other non-COL related preconstruction costs, and any costs not necessary to obtain or maintain the COL.

MIAMI: Adopt the position of OPC.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 6: **What jurisdictional amounts should the Commission approve as reasonably projected 2016 costs for FPL's Turkey Point Units 6 & 7 project?**

POSITIONS

FPL: The Commission should approve as reasonable FPL's 2016 projected Preconstruction costs, upon which FPL's recovery request is based, of \$21,057,310 (jurisdictional, excluding Initial Assessment costs). The Commission also should approve for recovery projected Preconstruction carrying charges of \$7,622,521, and projected Site Selection carrying charges of \$159,588. The total jurisdictional amount of \$28,839,419 should be included in FPL's 2016 NCR amount.

The Commission also should approve as reasonable FPL's total 2016 projected Preconstruction expenditures of \$25,409,920, which includes \$3,157,895 for Initial Assessment activities to better refine project schedule and cost information for FPL's 2016 feasibility analysis.

FPL's 2016 projected expenditures are supported by comprehensive procedures, processes and controls which help ensure that these costs are reasonable. (Scroggs, Grant-Keene)

DEF: No position.

OPC: The Commission should exclude any costs related to Initial Assessment Costs or any other non-COL related preconstruction cost, or cost not necessary to obtain or maintain the COL.

FIPUG: Less than the sums claimed by FPL. The Commission should exclude any costs related to Initial Assessment Costs or any other non-COL related preconstruction cost, or cost not necessary to obtain or maintain the COL.

PCS

PHOSPHATE: No position.

SACE: None. FPL did not complete and properly analyze a realistic feasibility analysis. The technical feasibility analysis is heavily skewed towards an outcome favoring the TP 6 & 7 reactors. Moreover, the reactors are not qualitatively feasible as they impose enormous costs on customers, many who may never realize a cumulative net fuel savings benefit from proposed reactors.

FRF: The Commission should exclude any costs related to Initial Assessment Costs, any other non-COL related preconstruction costs, and any costs not necessary to obtain or maintain the COL.

MIAMI: Adopt the position of OPC. Miami reserves the right to modify this position in its post-hearing brief.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 7: **What is the total jurisdictional amount to be included in establishing FPL's 2016 Capacity Cost Recovery Clause factor?**

POSITIONS

FPL: The total jurisdictional amount of \$34,249,614 should be included in establishing FPL's 2016 CCRC factor. (Grant-Keene)

DEF: No position.

OPC: The Commission should exclude any costs related to Initial Assessment Costs or any other non-COL related preconstruction cost, or cost not necessary to obtain or maintain the COL.

FIPUG: Less than the sums claimed by FPL. The Commission should exclude any costs related to Initial Assessment Costs or any other non-COL related preconstruction cost, or cost not necessary to obtain or maintain the COL.

PCS

PHOSPHATE: No position.

SACE: This is a fallout amount from the substantive issues.

FRF: The Commission should exclude any costs related to Initial Assessment Costs, any other non-COL related preconstruction costs, and any costs not necessary to obtain or maintain the COL.

MIAMI: Adopt the position of OPC.

STAFF: No position pending evidence adduced at the hearing.

Duke Energy Florida, Inc.

ISSUE 8: **Should the Commission find that during 2014, DEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Levy Units 1 & 2 project?**

POSITIONS

FPL: No position.

DEF: Yes, for the year 2014, DEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Levy Units 1 & 2 project (LNP) as discussed in Mr. Fallon's March 2, 2015 direct testimony and in Mr. Foster's March 2, 2015 direct testimony. The Company's 2014 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. These project management and cost oversight controls include regular risk assessment, evaluation, cost oversight, and management. Duke Energy did not change its nuclear development project management, contracting and cost control oversight policies and procedures because of the Company's decisions not to complete construction of the LNP and to terminate the EPC Agreement. Some of these policies and procedures are no longer applicable to the LNP going forward as a result of these decisions. Some new processes, like the LLE Disposition Plan, were developed and implemented as a result of these decisions. These policies and procedures are revised as necessary to reflect industry leading best project management and cost oversight policies, practices, and procedures. The Company also has reasonable and prudent project accounting controls, project monitoring procedures, disbursement services controls, and regulatory accounting controls. (Fallon, Foster)

OPC: No position.

FIPUG: No position.

**PCS
PHOSPHATE:** No position.

SACE: No position.

FRF: No position.

MIAMI: No position.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 9: **What jurisdictional amounts should the Commission approve as DEF's actual 2014 prudently incurred costs for the Levy Units 1 & 2 project?**

POSITIONS

FPL: No position.

DEF: As presented in and supported by the testimony of Mr. Fallon and Mr. Foster in DEF's March 2, 2015 Actual 2014 filing, the Commission should approve the following amounts as DEF's actual 2014 prudently incurred costs for the LNP:

Wind-Down / Exit Costs (Jurisdictional) -- \$10,197,887

Carrying Costs -- \$13,310,606

The over-recovery of \$6,833,655 should be included in setting the allowed 2016 NCRC recovery.

The 2014 variance is the sum of over-projection exit/wind-down costs of \$2,390,900 plus an over-projection of carrying costs of \$4,442,755. (Foster, Fallon)

OPC: The Commission should not include any costs related to the \$54 million in costs for which DEF is seeking a refund from WEC in federal court.

FIPUG: The Commission should not include any costs related to the \$54 million in costs for which DEF is seeking a refund from WEC in federal court.

PCS
PHOSPHATE: Agree with OPC.

SACE: No position.

FRF: Agree with OPC.

MIAMI: No position.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 10: **What jurisdictional amounts should the Commission approve as reasonably estimated 2015 exit and wind down costs and carrying costs for the Levy Units 1 & 2 project?**

POSITIONS

FPL: No position.

DEF: As presented in and supported by the testimony of Mr. Fallon and Mr. Foster in DEF's May 1, 2015 Actual/Estimated 2015 filing, the Commission should approve the following amounts as DEF's reasonably estimated 2015 exit and wind down costs and carrying costs for the LNP consistent with Section 366.93(6) and Rule 25-6.0423(7):

Wind-Down / Exit Costs (Jurisdictional) -- \$173,071

Carrying Costs (including 2014 WACC adjustment) -- \$5,904,767

The estimated under-recovery of \$3,574,308 should be included in setting the allowed 2016 NCRC recovery.

The 2015 variance is the sum of under-projection exit/wind-down costs of \$54,712 plus an under-projection of carrying costs of \$3,519,596. (Foster, Fallon)

OPC: The Commission should not include any costs related to the \$54 million in costs for which DEF is seeking a refund from WEC in federal court.

FIPUG: The Commission should not include any costs related to the \$54 million in costs for which DEF is seeking a refund from WEC in federal court.

PCS

PHOSPHATE: Agree with OPC.

SACE: No position.

FRF: Agree with OPC.

MIAMI: No position.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 11: **What jurisdictional amounts should the Commission approve as reasonably projected 2016 exit and wind down costs and carrying costs for the Levy Units 1 & 2 project?**

POSITIONS

FPL: No position.

DEF: As presented in and supported by the testimony of Mr. Fallon and Mr. Foster in DEF's May 1, 2015 Projection 2016 filing, the Commission should approve the following amounts as DEF's reasonably estimated 2016 exit and wind down costs and carrying costs for the LNP consistent with Section 366.93(6) and Rule 25-6.0423(7):

Wind-Down / Exit Costs (Jurisdictional) -- \$205,706

Carrying Costs -- \$5,302,187

Current Period Amortization of Unrecovered Balance -- \$12,084,506.

(Foster, Fallon)

OPC: The Commission should not include any costs related to the \$54 million in costs for which DEF is seeking a refund from WEC in federal court.

FIPUG: None. The Commission should not include any costs related to the \$54 million in costs for which DEF is seeking a refund from WEC in federal court.

PCS

PHOSPHATE: Agree with OPC.

SACE: No position.

FRF: Agree with OPC.

MIAMI: No position.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 12: **Should the Commission find that during 2014, DEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Crystal River Unit 3 Uprate project?**

POSITIONS

FPL: No position.

DEF: Yes, for 2014, DEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Crystal River Unit 3 Uprate project (EPU) and close out of the EPU project as discussed in Mr. Teague's March 2, 2015 direct testimony and in Mr. Foster's March 2, 2015 direct testimony. 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 updated, in line with industry best practices. To this end, DEF developed and employed its close out and investment recovery processes and procedures, including CR3 Administrative Procedure, AI-9010, *Conduct of CR3 Investment Recovery*, and the Investment Recovery Project, Project Execution Plan, utilizing industry best practices and the project management policies and procedures that have been reviewed and approved as prudent by this Commission in prior year's dockets. The Company also has reasonable and prudent project accounting controls, project monitoring procedures, disbursement services controls, and regulatory accounting controls. (Teague, Foster)

OPC: No position.

FIPUG: No position.

PCS

PHOSPHATE: No position.

SACE: No position.

FRF: No position.

MIAMI: No position.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 13: **What jurisdictional amounts should the Commission approve as DEF's actual 2014 prudently incurred costs for the Crystal River Unit 3 Uprate project?**

POSITIONS

FPL: No position.

DEF: As presented in and supported by the testimony of Mr. Teague and Mr. Foster in DEF's March 2, 2015 Actual 2014 filing, the Commission should approve the following amounts as DEF's actual 2014 prudently incurred costs for the Crystal River Unit 3 Uprate project:

Wind-Down / Exit Costs (Jurisdictional, net of joint owners) -- (\$292,076)

Carrying Costs -- \$23,793,581

The over-recovery of \$1,070,629 should be included in setting the allowed 2016 NCRC recovery.

The 2014 variance is the sum of over-projection of period-recoverable exit/wind-down costs of \$688,977 plus an over-projection of carrying costs of \$381,652.

(Foster, Teague)

OPC: No position.

FIPUG: No position.

**PCS
PHOSPHATE:** No position.

SACE: No position.

FRF: No position.

MIAMI: No position.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 14: What jurisdictional amounts should the Commission approve as reasonably estimated 2015 exit and wind down costs and carrying costs for the Crystal River Unit 3 Uprate Project?

POSITIONS

FPL: No position.

DEF: As presented in and supported by the testimony of Mr. Teague and Mr. Foster in DEF's May 1, 2015 Actual/Estimated 2015 filing, the Commission should approve the following amounts as DEF's reasonably estimated 2015 exit and wind down costs and carrying costs for the Crystal River Unit 3 Uprate project consistent with Section 366.93(6) and Rule 25-6.0423(7):

Wind-Down / Exit Costs (Jurisdictional, net of joint owners) -- \$266,260.

Carrying Costs (including 2014 WACC adjustment) -- \$18,768,771

The over-recovery of \$857,612 should be included in setting the allowed 2016 NCRC recovery.

The 2015 variance is the sum of over-projection exit/wind-down costs of \$77,191 plus an over-projection of carrying costs of \$780,421. (Foster, Teague)

OPC: No position.

FIPUG: No position.

**PCS
PHOSPHATE:** No position.

SACE: No position.

FRF: No position.

MIAMI: No position.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 15: What jurisdictional amounts should the Commission approve as reasonably projected 2016 exit and wind down costs and carrying costs for the Crystal River Unit 3 Uprate Project?

POSITIONS

FPL: No position.

DEF: As presented in and supported by the testimony of Mr. Teague and Mr. Foster in DEF's May 1, 2015 Projection 2016 filing, the Commission should approve the following amounts as DEF's reasonably estimated 2016 exit and wind down costs and carrying costs for the Crystal River Unit 3 Uprate project consistent with Section 366.93(6) and Rule 25-6.0423(7):

Wind-Down / Exit Costs (Jurisdictional, net of joint owners) -- \$73,763

Carrying Costs -- \$14,790,552

Amortization of 2013 Regulatory Asset -- \$43,681,007

(Foster, Teague)

OPC: No position.

FIPUG: No position.

**PCS
PHOSPHATE:** No position.

SACE: No position.

FRF: No position.

MIAMI: No position.

STAFF: No position pending evidence adduced at the hearing.

ISSUE 16: **What is the total jurisdictional amount to be included in establishing DEF's 2016 Capacity Cost Recovery Clause Factor?**

POSITIONS

FPL: No position.

DEF: The total jurisdictional amount to be included in establishing DEF's 2016 Capacity Cost Recovery Clause factor should be \$69,929,287 (before revenue tax multiplier). This consists of \$13,459,542 for the LNP and \$56,469,745 for the Crystal River Unit 3 Uprate project. (Foster, Teague, Fallon)

OPC: The Commission should not allow the recovery of any costs for Levy for 2016 which are related to the \$54 million in costs for which DEF is seeking a refund from WEC in federal court. The OPC takes no position at this time on costs that should be recovered for the Crystal River Uprate Project.

FIPUG: The Commission should not allow the recovery of any costs related to Levy for 2016. Furthermore, The Commission should not include any costs related to the \$54 million in costs for which DEF is seeking a refund from WEC in federal court.

PCS

PHOSPHATE: Agree with OPC.

SACE: No position.

FRF: Agree with OPC.

MIAMI: No position.

STAFF: No position pending evidence adduced at the hearing.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
	<u>Direct</u>		
Steve Scroggs/Jennifer Grant-Keene	FPL	SDS-1	T- Schedules Turkey Point 6 & 7 Site Selection and Pre- Construction Costs
Steve Scroggs	FPL	SDS-2	Turkey Point 6 & 7 Licenses, Permits and Approvals
Steve Scroggs	FPL	SDS-3	Comparison of Prior and Current Turkey Point 6 & 7 Project Schedules
Steve Scroggs	FPL	SDS-4	Turkey Point 6 & 7 Procedures and Work Instructions
Steve Scroggs	FPL	SDS-5	Turkey Point 6 & 7 Project Reports
Steve Scroggs	FPL	SDS-6	Turkey Point 6 & 7 Project Instructions and Forms

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Steve Scroggs	FPL	SDS-7	Turkey Point 6 & 7 Summary Tables of the 2014 Expenditures
Steve Scroggs/Jennifer Grant-Keene	FPL	SDS-8	Turkey Point 6 & 7 Site Selection and Pre-construction Nuclear Filing Requirement Schedules
Steve Scroggs	FPL	SDS-9	Turkey Point 6 & 7 Project Expenditure Summary Tables
Steve Scroggs	FPL	SDS-10	Turkey Point 6 & 7 Project Benefits at a Glance
Steve Scroggs	FPL	SDS-11	Turkey Point 6 & 7 Customer Savings from Nuclear Cost Recovery Law
Steve Scroggs	FPL	SDS-12	Remaining Steps in Turkey Point 6 & 7 Licensing
Nils Diaz	FPL	NJD-1	Summary Resume of Nils J. Diaz, PhD
John J. Reed	FPL	JJR-1	Résumé of John J. Reed
John J. Reed	FPL	JJR-2	Expert Testimony of John J. Reed
John J. Reed	FPL	JJR-3	PTN 6 & 7 Organization Charts
Jennifer Grant-Keene	FPL	JGK-1	Final True-Up of 2014 Revenue Requirements
Jennifer Grant-Keene	FPL	JGK-2	2014 EPU T-Schedules

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Jennifer Grant-Keene	FPL	JGK-3	2016 Revenue Requirements
Richard O. Brown	FPL	ROB-1	Summary of Results from FPL's 2015 Feasibility Analyses of the Turkey Point 6 & 7 Project (Plus Results from Additional Analyses)
Richard O. Brown	FPL	ROB-2	Comparison of Key Assumptions Utilized in the 2014 and 2015 Feasibility Analyses of the Turkey Point 6 & 7 Project
Richard O. Brown	FPL	ROB-3	Projection of FPL's Resource Needs Through 2030
Richard O. Brown	FPL	ROB-4	The Two Resource Plans Utilized in FPL's 2015 Feasibility Analyses of the Turkey Point 6 & 7 Project
Richard O. Brown	FPL	ROB-5	2015 Feasibility Analyses Results for the Turkey Point 6 & 7 Project: Case # 1 Analysis - 40-Year Operating Life; Total Costs, Total Cost Differentials, and Breakeven Costs for All Fuel and Environmental Compliance Cost Scenarios in 2015\$ (millions, CPVRR, 2015 - 2068)

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Richard O. Brown	FPL	ROB-6	2015 Feasibility Analyses Results for the Turkey Point 6 & 7 Project: Case# 2 Analysis- 60-Year Operating Life; Total Costs, Total Cost Differentials, and Breakeven Costs for All Fuel and Environmental Compliance Cost Scenarios in 2015\$ (millions, CPVRR, 2015-2088)
William R. Jacobs, Jr. PhD.	OPC	WRJ-1	Resume of William R. Jacobs, Jr.
Iliana H. Piedra	Staff	IHP-1	Auditor's Report – Turkey Point Units 6 & 7
David Rich	Staff	DR-1	Review of Project Management Internal Controls
Eugene T. Meehan	Miami	ETM-1	CV of Eugene T. Meehan
Eugene T. Meehan	Miami	ETM-2	2015 feasibility analyses results for Turkey Point units 6 & 7: 40-year operating life.
Eugene T. Meehan	Miami	ETM-3	2015 feasibility analyses results for Turkey Point units 6 & 7: 60-year operating life.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Thomas G. Foster	DEF	TGF-1	CONFIDENTIAL - reflects the actual costs associated with the LNP and consists of: 2014 True-Up Summary, 2014 Detail Schedule and Appendices A through E, which show DEF's retail revenue requirements for the LNP from January 2014 through December 2014. Mr. Fallon will be co-sponsoring portions of the 2014 Detail Schedule and sponsoring Appendices D and E.
Thomas G. Foster	DEF	TGF-2	CONFIDENTIAL - reflects the actual costs associated with the EPU project and consists of: 2014 True-Up Summary, 2014 Detail Schedule and Appendices A through E, which show DEF's retail revenue requirements for the EPU project from January 2014 through December 2014. Mr. Teague will be co-sponsoring portions of the 2014 Detail Schedule and sponsoring Appendices D and E.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Thomas G. Foster	DEF	TGF-3	CONFIDENTIAL - reflects the actual and estimated costs associated with the LNP and consists of: 2016 Revenue Requirement Summary, 2015 Revenue Requirement Detail Schedule, 2016 Revenue Requirement Detail Schedule, 2015 LLE Deferred Balance Detail Schedule, 2016 LLE Deferred Balance Detail Schedule, 2016 Estimated Rate Impact Schedule, and Appendices A through E. Mr. Fallon will be co-sponsoring portions of the 2015 Actual/Estimate Revenue Requirement Detail Schedule and 2016 Projection Revenue Requirement Detail Schedule, and sponsoring Appendices D and E.
Thomas G. Foster	DEF	TGF-4	CONFIDENTIAL - reflects the actual costs associated with the EPU project and consists of: 2016 Revenue Requirement Summary, 2015 Revenue Requirement Detail Schedule, 2016 Revenue Requirement Detail Schedule, 2016 Estimated Rate Impact Schedule, and Appendixes A through F. Mr. Teague will be co-sponsoring portions of 2015 Actual/Estimated Revenue Requirement Detail Schedule and 2016 Project Revenue Requirement Detail Schedule, and sponsoring Appendixes D and E.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Mark R. Teague	DEF	MT-1	The CR3 Administrative Procedure, AI-9010, Conduct of CR3 Investment Recovery, Rev. 1.
Mark R. Teague	DEF	MT-2	The CR3 Investment Recovery Project, Project Execution Plan, Rev. 0.
Mark R. Teague	DEF	MT-3	The Investment Recovery Guidance Document IRGD-001, Sales Track Guidance and Documentation Package Development.
Mark R. Teague	DEF	MT-4	CONFIDENTIAL – Chart of EPU-related assets disposed of through sales to third parties or affiliate transfers in 2014.
Mark R. Teague	DEF	MT-5	CONFIDENTIAL – Integrated Change Form for the retention of an auction company used to sell CR3 plant assets, including EPU-related assets.
Mark R. Teague	DEF	MT-6	DEF Abandon In-place Justification for (1) New Stator Core and Rewound Generator Rotor; (2) Feedwater Heat Exchangers CDHE-3A/3B; (3) Belly Drain Heat Exchangers CDHE-7A/7B; (4) Isolated Phase Bus Duct Coolers; and (5) Moisture Separator Reheaters.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Mark R. Teague	DEF	MT-7	CR3 Investment Recovery Project (IRP) Closeout and Long-Term SAFSTOR Asset Recovery Plan, Rev. 0.
Christopher M. Fallon	DEF	CMF-1	CONFIDENTIAL – DEF’s January 2014 letter to the Consortium terminating the EPC Agreement.
Christopher M. Fallon	DEF	CMF-2	CONFIDENTIAL – LNP LLE Disposition Plan.
Christopher M. Fallon	DEF	CMF-3	CONFIDENTIAL – Final resolution with Stone & Webster, Inc. (“S&W”) for costs under the EPC Agreement.
Christopher M. Fallon	DEF	CMF-4	CONFIDENTIAL – Tioga LNP LLE final disposition settlement memorandum.
Christopher M. Fallon	DEF	CMF-5	CONFIDENTIAL – DEF letter to the Consortium accepting the Tioga LNP LLE final disposition settlement offer.
Christopher M. Fallon	DEF	CMF-6	CONFIDENTIAL – January 12, 2015 Status Update for LNP LLE Disposition Memorandum.
Christopher M. Fallon	DEF	CMF-7	CONFIDENTIAL – Chart of the Company’s LNP LLE disposition actions and status.
Christopher M. Fallon	DEF	CMF-8	Chart of the expected LNP Combined Operating License Application (“COLA”) schedule.
Ronald A. Mavrides	Staff	RAM-1	Auditor’s Report – Crystal River Unit 3 Uprate

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Ronald A. Mavrides	Staff	RAM-2	Auditor's Report – Levy Nuclear Plant Units 1 & 2
William Coston	Staff	WC-1	Review of Project Management Internal Controls

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

X. PROPOSED STIPULATIONS

There are no proposed stipulations at this time.

XI. PENDING MOTIONS

FPL:

Motion Document No.	Date	Description
04469-15	7/17/15	Revised Motion for Temporary Protective Order for Deposition Exhibit
04468-15	7/17/15	Motion for Temporary Protective Order for documents produced in response to OPC's 2 nd Request for PODs (No. 10)
04435-15	7/15/15	Motion for Protective Order to protect confidential documents produced to City of Miami
03620-15	6/12/15	Motion for Protective Order to protect confidential documents produced to City of Miami
03552-15	6/10/15	Motion for Temporary Protective Order for information included in documents produced in response to Staff's 1 st request for PODs (Nos. 1, 3, 4 and 7) and in documents produced in revised response to OPC's 1 st request for PODs (No. 2)
02533-15	5/4/15	Motion for Temporary Protective Order for confidential information included in Exhibit SDS-8 to testimony of Steven Scroggs

XII. PENDING CONFIDENTIALITY MATTERS**FPL:**

Request Document No.	Date	Description
04141-15	7/6/15	Request for Confidential Classification of Audit 15-005-4-1
03675-15	6/16/15	Request for Confidential Classification of Audit Report No. PA 15-01-002
02487-15	5/1/15	Request for Confidential Classification of Exhibit SDS-8 to testimony of Steven D. Scroggs

DEF:

Document No.	Request	Date Filed
03039-15	Duke Energy Florida, Inc.'s Third Request for Confidential Classification regarding portions of Direct Testimony and Exhibits of Thomas G. Foster, Mark R. Teague and Christopher M. Fallon filed May 1, 2015	5/21/15
03976-15	Duke Energy Florida, Inc.'s Fourth Request for Confidential Classification regarding portions of responses to Staff's First Set of Interrogatories (Nos. 1-11)	6/29/15
03767-15	Duke Energy Florida, Inc.'s Fifth Request for Confidential Classification regarding portions of the Review of Duke Energy Florida, Inc.'s Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects	6/19/15
03880-15	Duke Energy Florida, Inc.'s Sixth Request for Confidential Classification regarding portions of Auditor's Workpapers for Year Ended 12/31/2014 APA Nos. 15-005-2-1 and 15-005-2-2.	6/24/15

XIII. POST-HEARING PROCEDURES

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position of no more than 100 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 100 words, it must be reduced to no more than 100 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages per company and shall be filed at the same time.

XIV. RULINGS

Opening statements, if any, shall not exceed ten minutes for FPL, ten minutes for DEF, and five minutes for each Intervenor.

It is therefore,

ORDERED by Chairman Art Graham, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Chairman Art Graham, as Prehearing Officer, this 7th day of August, 2015.



ART GRAHAM
Chairman and Prehearing Officer
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

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

KRM

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.