BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery

Clause.

DOCKET NO.: 160009-EI

FILED: June 30, 2016

PREHEARING STATEMENT OF THE OFFICE OF PUBLIC COUNSEL

The Citizens of the State of Florida, through the Office of Public Counsel, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-16-0105-PCO-EI, issued March 11, 2016, hereby submit this Prehearing Statement.

APPEARANCES:

Charles J. Rehwinkel
Deputy Public Counsel
Patricia A. Christensen
Associate Public Counsel
Erik L. Sayler
Associate Public Counsels
Office of Public Counsels
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida

1. <u>WITNESSES</u>:

William R. Jacobs, Jr. PhD.

Issues 7-12 (FPL issues)

2. EXHIBITS:

Through William R. Jacobs, Jr., Ph.D., the Citizens intend to introduce the following exhibit:

FPL

WRJ-1

Resume of William R. Jacobs, Jr.

3. STATEMENT OF BASIC POSITION

DEF

The OPC takes no position and does not object to DEF's positions on the issues related to the recovery of the CR3 EPU project which costs are being recovered pursuant to the provisions of the Revises and Restated Stipulation and Settlement Agreement (RRSSA) approved in Order No. PSC-13-0598-FOF-EI. For the Levy Nuclear Project (LNP) there are no costs being recovered from customers in this hearing cycle as all known costs have been recovered pursuant to the RRSSA. The OPC has an agreement with DEF that the dollar figures presented in testimony are for information only and the Commission will not be taking any action on such costs. The OPC further understands that pursuant to the Stipulation entered into among the parties in 2015 and approved in Order No. PSC-15-0521-FOF-EI (2015 Stipulation) any net costs, if any, that DEF seeks to recover related to LNP will be addressed in the 2017 NCRC hearing process pursuant to law, including the RRSSA and the 2015 Stipulation.

FPL

FPL has not filed a long-term feasibility study in the 2016 NCRC proceeding. Based on the lack of 2016 long-term feasibility study which demonstrates that FPL's Turkey Point Units 6 &7 project is feasible going forward, any new costs incurred on the project should not be allowed to be recovered through the NCR clause.

However, FPL has filed a Motion to Defer Consideration of Issues and Cost Recovery which is pending before the Commission for consideration at the July 7, 2016, Agenda Conference. If the Commission grants FPL's requested deferral, the Commission will not be determining the prudence or reasonableness of any of FPL's costs or actions that were subject to Commission

review in the 2016 NCRC proceeding until the 2017 NCRC proceeding. Should the Commission approve the Deferral of FPL issues until 2017, OPC takes "no position for the 2016 NCRC proceeding due to the deferral of the Commission's review on all FPL issues until the 2017 NCRC docket."

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

DEF

Issue 1: Should the Commission find that during 2015, DEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Levy Units 1 & 2 project?

OPC:

No Position.

Issue 2: Should the Commission find that during 2015, DEF's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Crystal River Unit 3 Uprate project?

OPC:

No Position.

<u>Issue 3</u>: What jurisdictional amounts should the Commission approve as DEF's actual 2015 prudently incurred costs for the Crystal River Unit 3 Uprate project?

OPC:

No Position.

<u>Issue 4</u>: What jurisdictional amounts should the Commission approve as reasonably estimated 2016 exit and wind down costs and carrying costs for the Crystal River Unit 3 Uprate Project?

OPC: No Position.

<u>Issue 5</u>: What jurisdictional amounts should the Commission approve as reasonably projected 2017 exit and wind down costs and carrying costs for the Crystal River Unit 3 Uprate Project?

OPC: No Position.

<u>Issue 6</u>: What is the total jurisdictional amount to be included in establishing DEF's 2017 Capacity Cost Recovery Clause Factor?

OPC: No Position.

FPL

Issue 7: Should the Commission approve as reasonable what FPL has submitted as its 2016 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?

OPC: No, FPL has yet to file a long-term feasibility analysis for 2016. However, should the Commission approve the Deferral of FPL issues until 2017, OPC takes "no position for the 2016 NCRC proceeding due to the deferral of the Commission's review on all FPL issues until the 2017 NCRC docket."

<u>Issue 7a:</u> What is the current total estimated all-inclusive cost (including AFUDC and sunk costs) of the proposed Turkey Point Units 6 & 7 nuclear project?

OPC: No position.

<u>Issue 7b:</u> What is the current estimated planned commercial operation date of the planned Turkey Point Units 6 & 7 nuclear facility?

OPC: Based on FPL's testimony, the commercial in-service date will be delayed at least four years beyond last year's in-service date. However, should the Commission approve the Deferral of FPL issues until 2017, OPC takes "no position for the 2016 NCRC proceeding due to the deferral of the Commission's review on all FPL issues until the 2017 NCRC docket."

<u>Issue 8</u>: Should the Commission find that FPL's 2015 project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Turkey Point Units 6 & 7 project?

OPC: Should the Commission approve the Deferral of FPL issues until 2017, OPC takes "no position for the 2016 NCRC proceeding due to the deferral of the Commission's review on all FPL issues until the 2017 NCRC docket."

<u>Issue 9</u>: What jurisdictional amounts should the Commission approve as FPL's actual 2015 prudently incurred costs and final true-up amounts for the Turkey Point Units 6 & 7 project?

OPC: Should the Commission approve the Deferral of FPL issues until 2017, OPC takes "no position for the 2016 NCRC proceeding due to the deferral of the Commission's review on all FPL issues until the 2017 NCRC docket."

<u>Issue 10</u>: What jurisdictional amounts should the Commission approve as reasonably estimated 2016 costs and estimated true-up amounts for FPL's Turkey Point Units 6 & 7 project?

OPC:

Based on the lack of 2016 long-term feasibility study which demonstrates that FPL's Turkey Point Units 6 &7 project is feasible going forward, any new costs incurred on the project should not be allowed to be recovered through the NCR clause. Should the Commission approve the Deferral of FPL issues until 2017, OPC takes "no position for the 2016 NCRC proceeding due to the deferral of the Commission's review on all FPL issues until the 2017 NCRC docket."

<u>Issue 11</u>: What jurisdictional amounts should the Commission approve as reasonably projected 2017 costs for FPL's Turkey Point Units 6 & 7 project?

OPC:

Based on the lack of 2016 long-term feasibility study which demonstrates that FPL's Turkey Point Units 6 &7 project is feasible going forward, any new costs incurred on the project should not be allowed to be recovered through the NCR clause. Should the Commission approve the Deferral of FPL issues until 2017, OPC takes "no position for the 2016 NCRC proceeding due to the deferral of the Commission's review on all FPL issues until the 2017 NCRC docket."

<u>Issue 12</u>: What is the total jurisdictional amount to be included in establishing FPL's 2017 Capacity Cost Recovery Clause factor?

OPC:

Based on the lack of 2016 long-term feasibility study which demonstrates that FPL's Turkey Point Units 6 &7 project is feasible going forward, any new costs incurred on the project should not be allowed to be recovered through the NCR clause. Should the Commission approve the Deferral of FPL issues until 2017, OPC takes "no position for the 2016 NCRC proceeding due to the deferral of the Commission's review on all FPL issues until the 2017 NCRC docket."

5. STIPULATED ISSUES:

None at this time.

6. PENDING MOTIONS:

None.

7. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

None.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

None at this time.

9. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Office of Public Counsel cannot comply.

Dated this 30th day of June, 2016

Respectfully submitted,

J.R. Kelly Public Counsel

Patricia A. Christensen Associate Public Counsel

c/o The Florida Legislature Office of Public Counsel 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400

Attorney for the Citizens of the State of Florida

CERTIFICATE OF SERVICE Docket No. 160009-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished

by electronic mail on this 30th day of June, 2016, to the following:

Jessica Cano/Kevin I.C. Donaldson Florida Power and Light Company 700 Universe Blvd Juno Beach, FL 33418 jessica_cano@fpl.com kevin.donaldson@fpl.com Matthew R. Bernier
Duke Energy Florida.
106 East College Ave, Suite 800
Tallahassee, FL 32301-7740
matthew.bernier@duke-energy.com

Kyesha Mapp Margo Leathers 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 kmapp@psc.state.fl.us mleathers@psc.state.fl.us

George Cavros
Southern Alliance for Clean Energy
120 E. Oakland Park Blvd.,
Ste. 105
Fort Lauderdale, FL 33334
george@cavros-law.com

Jon C. Moyle, Jr.
Florida Industrial Power Users Group
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com

Kenneth Hoffman Florida Power & Light Company 215 South Monroe St., Suite 810 Tallahassee, FL 32301-1859 ken.hoffman@fpl.com

James W. Brew/Laura A. Wynn 1025 Thomas Jefferson St. NW, 8th Flo, West Tower Washington, DC 20007 jbrew@smxblaw.com laura.wynn@smxblaw.com R. Scheffel Wright/ John LaVia Florida Retail Federation Gardner Law Firm 1300 Thomaswood Drive Tallahassee, FL 32308 schef@gbwlegal.com jlavia@gbwlegal.com

Dianne M. Triplett
Duke Energy Florida
299 First Avenue North
St. Petersburg, FL 33701
dianne.triplett@duke-energy.com

Victoria Méndez, City Attorney Matthew Haber, Assistant City Attorney The City of Miami 444 S.W. 2nd Avenue, Suite 945 Miami, FL 33130 vmendez@miamigov.com

Robert H. Smith 11340 Heron Bay Blvd. #2523 Coral Springs, FL 33076 rpjrb@yahoo.com

> Patricia A. Christensen Associate Public Counsel