

Stipulated Transition Statement regarding Crystal River 3 (CR3) – Docket Number 20180009

WHEREAS, Duke Energy Florida, LLC (“DEF”), the Office of Public Counsel (“OPC”), White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate (“White Springs”), the Florida Industrial Power Users Group (“FIUG”), the Florida Retail Federation (“FRF”), and the Southern Alliance for Clean Energy (“SACE”) are parties to the 2017 Second Revised and Restated Stipulation and Settlement Agreement (“2017 Agreement”); and

WHEREAS, DEF, OPC, White Springs, and FIUG (collectively referred to as the “NCRC Parties”) are parties to Docket 20180009, the Nuclear Cost Recovery Clause (“NCRC”); and

WHEREAS, pursuant to 2017 Second Revised and restated Stipulation and Settlement Agreement Order PSC-2017-0451-AS-EU, the 2018 NCRC proceeding will be DEF’s final such proceeding; and

WHEREAS, to accommodate the closing out of DEF’s participation in the NCRC, the NCRC Parties desire to summarize the status of the various categories of CR3-related dollars, as evidenced by this “Transition Statement”;

NOW THEREFORE, the undersigned NCRC Parties agree to the following:

CR3 NCRC Recovery Amounts

1. Since 2009 (and including 2019), DEF will have recovered \$424,776,856 through the NCRC for costs associated with the Extended Power Uprate (“EPU”).¹
2. For 2019, DEF has filed to recover \$43,858,854 (including the revenue tax multiplier) for EPU NCRC costs, of which \$43,159,168 is the final installment of the seven year amortization of the capital investment balance. Any final true-up of these costs after December 31, 2019 will be included in the 2019 Capacity Cost Recovery (“CCR”) Clause True-up filing (on or about March 1, 2020), and will be collected/refunded as appropriate through that clause. All parties will have an opportunity to review the true-up amount in that docket.

CR3 NCRC Dollars Recovered Through CCR

3. Consistent with Order No. PSC-2016-0138-FOF-EI, in which the Commission approved DEF’s Motion for Approval of Stipulation to Amend the RRSSA (Second RRSSA Amendment), DEF transferred the amount of the CR3 EPU assets that were placed in service, and part of the CR3 Regulatory Asset, to the CCR Clause. The amount transferred as of December 31, 2016 was \$38,048,242. DEF has fully recovered this amount through the CCR Clause over 2017 and 2018.

¹ Costs related to the Levy Nuclear Project (“LNP”) in the amount of \$870,141,043 were fully recovered in the NCRC as of April 30, 2015 as finally provided in Order No. PSC-2017-0451-AS-EU. There are no more costs related to or attributable to LNP that are being recovered or will be recovered in retail jurisdictional rates.

CR3 Securitization

4. Pursuant to Order No. PSC-2015-0537-FOF-EI, Duke Energy Florida Project Finance, LLC issued nuclear asset-recovery bonds in the amount of \$1,294,290,000 on June 22, 2016. The bonds included the CR3 Regulatory Asset, as determined in Docket No. PSC-2015-0148-EI, along with ongoing and upfront financing costs. Customers will continue to pay an Asset Securitization Charge until 2036.

Nuclear Decommissioning Trust ("NDT")

5. Consistent with Nuclear Regulatory Commission ("NRC") and FPSC rules and regulations, DEF maintains an NDT for the purpose of ensuring that sufficient funds are available to decommission CR3, as well as manage spent fuel (until the DOE takes possession of the spent fuel). DEF's last decommissioning cost study was approved by the Commission in Order No. PSC-2014-0702-PAA-EI, and showed that DEF should have sufficient funds in the NDT to decommission CR3. DEF's current plan is to keep CR3 in safe storage ("SAFSTOR") until 2067, when it will then decommission until 2074 to meet the sixty-year deadline required by NRC rules.
6. DEF recently filed an updated nuclear decommissioning cost estimate with the NRC. Although DEF is not obligated under the 2017 Settlement to file an updated nuclear decommissioning cost study with the FPSC until 2021 or 2022, DEF intends to file the updated nuclear decommissioning cost study with the FPSC for informational purposes. DEF does not expect to require additional funds from customers as a result of the updated cost estimate. If either DEF's funding assumptions or decommissioning plan changes, DEF shall make another filing with the FPSC for approval of the updated plan.

Independent Spent Fuel Storage Installation ("ISFSI") Costs

7. In July 2017, DEF completed the construction of an ISFSI, located near the CR3 building. DEF also completed the transfer of all spent nuclear fuel from the CR3 spent fuel pool to the ISFSI. The total retail cost to construct the ISFSI, including AFUDC, was approximately \$132,426,804. The costs to construct the ISFSI are subject to the amortization deferral approved in Order No. PSC-2015-0027-PA-EI, and, pursuant to Paragraph 5.a.(1) of the 2017 Settlement, DEF has included the retail jurisdictional value of the reasonable and prudent ISFSI carrying costs in the CCR.
8. DEF is pursuing litigation against the Department of Energy ("DOE") for breach of the DOE's obligation to pick up and store DEF's spent nuclear fuel. In the most recent round of litigation, based on 2011-2013 costs, DEF was awarded \$21,426,525 in damages related to CR3, of which DEF credited the retail portion of \$18,266,200 to the CCR Clause pursuant to Paragraph 5.a.(1) of the 2017 Settlement. DEF just filed another round of litigation against the DOE, in which it seeks damages associated with, among other things, the remaining ISFSI capital costs. Pursuant to Paragraph 5.a.(1) of the 2017 Settlement, DEF shall credit the CCR Clause with the retail portion of all applicable awards associated with the construction of the ISFSI. DEF shall also

amortize the adjusted final ISFSI capital cost balance, consistent with the 2017 Settlement. Pursuant to Paragraph 5.a.(1) of the 2017 Settlement, DEF is entitled to petition the Commission for approval and recovery of the remaining ISFSI capital balance through the CCR Clause and other signatory parties to the RSSA are not precluded from challenging any aspect of the reasonableness of those costs; this filing is currently contemplated to occur after the conclusion of all DOE litigation.

Other CR3 costs

9. All other costs not specifically named above that have been traditionally recovered as a part of the CR3 facility are being recovered as a part of numbers 5 and 8, above.

This Transition Statement may be executed in counterpart originals, and a facsimile or PDF email of an original signature shall be deemed an original.

In Witness Whereof, the NCRC Parties evidence their acceptance and agreement with the provisions of this Transition Statement by their signatures below.

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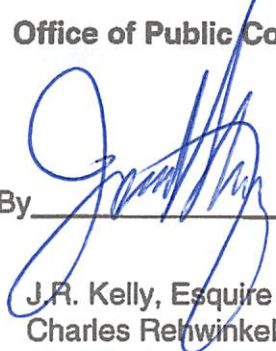
Duke Energy Florida, LLC

By  _____

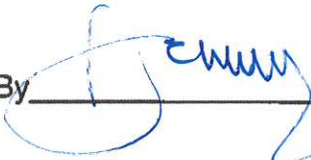
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By  _____ July 30, 2018

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