

1 P R O C E E D I N G S

2 CHAIRMAN CLARK: All right. Let's go ahead
3 and reconvene and call the Special Agenda to order.

4 And, Mr. Futrell, will you introduce the first
5 item for us, please?

6 MR. FUTRELL: Yes, sir.

7 Commissioners, this is staff's recommendation
8 on Duke Energy Florida's petition for its proposed
9 accelerated decommissioning transaction, thereby
10 fundamentally changing the plan for decommissioning
11 the retired Crystal River Unit 3 nuclear power
12 plant, or CR3.

13 In addition, the company requests approval of
14 its 2019 decommissioning cost study and its
15 proposed waiver if necessary for filing future
16 decommissioning cost studies.

17 The proposed decommissioning transaction
18 includes a contract between Duke and Accelerated
19 Decommissioning Partners, or ADP, and its
20 subsidiaries. The proposed transaction would
21 transfer the responsibility for decommissioning CR3
22 from Duke to an ADP subsidiary.

23 Additionally, Duke's proposal would change the
24 decommissioning method and accelerate
25 decommissioning by 36 years earlier than under the

1 current plan.

2 In addition, approval of the transaction would
3 transfer the ownership, operations, financing and
4 liability for CR3 spent nuclear fuel and high level
5 waste from Duke to and ADP subsidiary.

6 If the transaction is approved, Duke would
7 have the responsibility of monitoring the progress
8 of decommissioning at the CR3 site, along with a
9 limited number of related license termination
10 duties and expenses.

11 The fixed price under the transaction is \$540
12 million to be paid out of Duke's Nuclear
13 Decommissioning Trust Fund, most recently valued at
14 approximately \$654 million.

15 The record in this case supports several key
16 conclusions. The process of selecting a CR3
17 decommissioning contractor was reasonable. The
18 fixed price contract is also reasonable, as it
19 contains customer protections designed to maintain
20 the ongoing viability of the Duke Nuclear
21 Decommissioning Trust Fund that is projected to
22 fully fund the decommissioning and license
23 termination costs.

24 There are benefits to proceeding with an
25 accelerated decommissioning time schedule,

1 including the mitigation of long-term environmental
2 risk, regulatory and financial risks.

3 Finally, the financial viability and
4 decommissioning experience of ADP have been
5 affirmed by the U.S. Nuclear Regulatory Commission.

6 Staff recommends the Commission approve the
7 proposed transaction without modification.

8 Staff also recommends that if the Commission
9 wishes to go issue by issue, that it proceed in the
10 following order: Issues 2, 3, 4, 5, 7, 1, 6 and 8.

11 This is a post-hearing matter and staff is
12 available to answer questions.

13 CHAIRMAN CLARK: All right. Commissioners,
14 just as reminder, this is discussion only for
15 Commissioners and staff, and I would certainly
16 entertain any thoughts, ideas, if you have any
17 intent to or would like to consider deviating from
18 staff recommendation, we will take up the order
19 that Mr. Futrell suggested. So I am going to lay a
20 little bit of discussion out and then kind of see
21 where we are headed from that point on.

22 Any discussion?

23 Commissioner Fay.

24 COMMISSIONER FAY: Mr. Chairman, I apologize,
25 I don't know if the timing is appropriate, but I

1 have a question for staff on Issue 2.

2 CHAIRMAN CLARK: All right. Yes, sir. Go
3 right ahead. We are ready.

4 COMMISSIONER FAY: Okay. Great. Thank you.

5 And I don't know specifically on staff this
6 needs to be addressed to, but the -- the issue
7 speaks to the spent fuel management capital costs,
8 and I -- I think from the item's recommendation,
9 it's stating the previous recovery that the utility
10 had from the Department of Energy, and the
11 potential of future recovery at a fairly high
12 dollar amount. So for that component of the
13 recovery, would the spent fuel management capital
14 costs, would they -- would essentially be, I guess,
15 returned to the ratepayers through the capacity
16 cost recovery -- recovery clause, or is that not
17 the mechanism that it would be brought back?

18 CHAIRMAN CLARK: Mr. Futrell.

19 MR. FUTRELL: I think either Ms. Brownless or
20 Mr. McNulty could answer that. I believe the
21 answer is yes, but I will let the staff expand.

22 CHAIRMAN CLARK: Ms. Brownless.

23 MS. BROWNLESS: Yes, sir.

24 The -- any capital costs associated with the
25 DOE recovery would be recovered through the capital

1 cost recovery clause. Any expenses associated with
2 the \$90 million that's out there, or the estimated
3 \$90 million, would be available to do Duke to place
4 back into the NDT.

5 COMMISSIONER FAY: Okay. Great.

6 That's all I had, Mr. Chair. Thank you.

7 CHAIRMAN CLARK: Thank you, Commissioner Fay.

8 Other questions?

9 All right. It seems like we are not going to
10 deviate. So if we would like to take a motion to
11 approve staff recommendation on all items, I would
12 entertain that.

13 COMMISSIONER FAY: Mr. Chairman, I am happy to
14 move staff's recommendation on all items.

15 CHAIRMAN CLARK: Do I have a second?

16 COMMISSIONER BROWN: Second.

17 CHAIRMAN CLARK: I have a motion and a second.

18 Any discussion?

19 On the motion, all in favor say aye.

20 (Chorus of ayes.)

21 CHAIRMAN CLARK: All opposed?

22 (No response.)

23 CHAIRMAN CLARK: The motion carries
24 unanimously.

25 All right. Any other items for discussion?

1 That concludes this agenda item. We will
2 resume at one o'clock for our 10-year site plan
3 workshop. See y'all then.

4 Thank you. Meeting adjourned.

5 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby
certify that the foregoing proceeding was heard at the
time and place herein stated.

IT IS FURTHER CERTIFIED that I
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same has been transcribed under my direct supervision;
and that this transcript constitutes a true
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I FURTHER CERTIFY that I am not a relative,
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DATED this 27th day of August, 2020.



DEBRA R. KRICK
NOTARY PUBLIC
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EXPIRES AUGUST 13, 2024