

FLORIDA PUBLIC SERVICE COMMISSION

SPECIAL COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, October 1, 2013, 9:30 a.m.

LOCATION: Betty Easley Conference Center, Joseph P. Cresse Hearing Room 148

DATE ISSUED: September 19, 2013

NOTICE

Agendas, staff recommendations, and vote sheets are available from the PSC Web site, <http://www.floridapsc.com>, by selecting *Conferences & Meeting Agendas* and *Commission Conferences of the FPSC*. Once filed, a verbatim transcript of the Commission Conference will be available from this page by selecting the conference date, or by selecting *Clerk's Office* and the Item's docket number, (you can then advance to the *Docket Details* page and the Document Filings Index for that particular docket). An official vote of "move staff" denotes that the Item's recommendations were approved. If you have any questions, contact the Office of Commission Clerk at (850) 413-6770 or e-mail the clerk at Clerk@psc.state.fl.us.

In accordance with the American with Disabilities Act, persons needing a special accommodation to participate at this proceeding should contact the Office of Commission Clerk no later than five days prior to the conference at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, via 1-800-955-8770 (Voice) or 1-800-955-8771 (TDD), Florida Relay Service. Assistive Listening Devices are available at the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

The Commission Conference has a live video broadcast the day of the conference, which is available from the PSC's Web site. Upon completion of the conference, the video will be available from the Web site by selecting *Conferences & Meeting Agendas*, then *Audio and Video Event Coverage*.

ITEM NO.

CASE

1

Docket No. 130009-EI – Nuclear cost recovery clause.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Balbis

Staff: IDM: Breman, Hinton, Laux, Lewis

ECO: Draper, Garl, Higgins

GCL: Lawson

(Participation is limited to Commissioners and staff.)

Issue 4: Do FPL's activities since January 2012 related to the proposed Turkey Point Units 6 & 7 qualify as "siting, design, licensing and construction" of a nuclear power plant as contemplated by Section 366.93, F.S.?

Recommendation: Yes. Staff recommends the Commission find that FPL's activities since January 2012 related to the proposed Turkey Point Units 6 & 7 qualify as "siting, design, licensing and construction" of a nuclear power plant as contemplated by Section 366.93, F.S.

Issue 5: Should the Commission approve what FPL has submitted as its 2013 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.? If not, what action, if any, should the Commission take?

Recommendation: Yes. The evidence demonstrated that FPL fully considered the economic, regulatory, technical, funding, and joint ownership considerations impacting the feasibility of the project. While continuing uncertainty exists in virtually all these areas, continuation of the TP Project appears feasible at this time.

Issue 5A: What is the current total estimated all-inclusive cost (including AFUDC and sunk costs) of the proposed Turkey Point Units 6 & 7 nuclear project?

Recommendation: The current total estimated all-inclusive cost (including AFUDC and sunk costs) of the proposed Turkey Point Units 6 & 7 nuclear project ranges from \$12.7 billion to \$18.5 billion as identified in Issue 5.

Issue 5B: What is the current estimated planned commercial operation date of the planned Turkey Point Units 6 & 7 nuclear facility?

Recommendation: The current estimated commercial operation dates of the planned Turkey Point Units 6 & 7 nuclear facility are 2022 for Unit 6, and 2023 for Unit 7 as identified in Issue 5.

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Issue 6: What are the jurisdictional amounts for Turkey Point 6 & 7 project activities that are related to obtaining a combined license from the Nuclear Regulatory Commission or certification during 2013 and 2014?

Recommendation: Staff recommends that the Commission find FPL's Turkey Point 6 & 7 jurisdictional project costs (related to obtaining a COL from the NRC or certification) are \$33,838,181 for 2013 and \$24,151,118 for 2014.

Issue 7: Should the Commission find that, for the year 2012, FPL's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Turkey Point Units 6 & 7 project? If not, what action, if any, should the Commission take?

Recommendation: Staff recommends the Commission find that for the year 2012, FPL's project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Turkey Point Units 6 & 7 project.

Issue 8: What jurisdictional amounts should the Commission approve as FPL's final 2012 prudently incurred costs and final true-up amounts for the Turkey Point Units 6 & 7 project?

Recommendation: Staff recommends the Commission approve as prudently incurred 2012 TP Project jurisdictional costs of \$29,034,114. The recommended final 2012 true-up amount, net of prior recoveries, is an over recovery of \$5,602,800 for use in determining the total net 2014 NCRC amount in Issue 17.

Issue 9: What jurisdictional amounts should the Commission approve as reasonably estimated 2013 costs and estimated true-up amounts for FPL's Turkey Point Units 6 & 7 project?

Recommendation: Staff recommends that the Commission approve as reasonably estimated 2013 TP Project jurisdictional costs of \$28,748,963. The recommended estimated 2013 true-up amount is an over recovery of \$1,155,974 for purposes of determining the total net 2014 NCRC amount in Issue 17.

Pursuant to the FPL Stipulation, approved by the Commission at hearing, the estimated 2013 carrying costs should be reduced to reflect a July 1, 2013 change in the applicable AFUDC rate. Staff presents this adjustment in Issue 17.

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Issue 10: What jurisdictional amounts should the Commission approve as reasonably projected 2014 costs for FPL's Turkey Point Units 6 & 7 project?

Recommendation: Staff recommends that the Commission approve as reasonably projected 2014 TP Project jurisdictional costs of \$16,826,626. The recommended projected 2014 amount, including carrying costs, is \$24,151,118 for purposes of determining the total net 2014 NCRC amount in Issue 17.

Pursuant to the FPL Stipulation, approved by the Commission at hearing, the projected 2014 carrying costs should be reduced to reflect a July 1, 2013 change in the applicable AFUDC rate. Staff presents this adjustment in Issue 17.

Issue 13: Should the Commission find that, for the year 2012, FPL's project management, contracting, accounting and cost oversight controls were reasonable and prudent for FPL's Extended Power Uprate project? If not, what action, if any, should the Commission take?

Recommendation: Staff recommends the Commission find FPL's 2012 EPU Project management, contracting, accounting and cost oversight controls reasonable and prudent.

Issue 14: What jurisdictional amounts should the Commission approve as FPL's final 2012 prudently incurred costs and final true-up amounts for the Extended Power Uprate project?

Recommendation: Staff recommends that the Commission approve as prudently incurred 2012 EPU Project jurisdictional expenditures of \$1,369,209,305; O&M costs, including interest, of \$7,198,815; and carrying costs of \$110,615,132. The recommended final 2012 true-up amount is an under recovery of \$3,876,726 for purposes of determining the total net 2014 NCRC amount in Issue 17.

Issue 15: What jurisdictional amounts should the Commission approve as reasonably estimated 2013 costs and estimated true-up amounts for FPL's Extended Power Uprate project?

Recommendation: Staff recommends that the Commission approve as reasonable estimated 2013 EPU Project jurisdictional expenditures of \$226,636,946; O&M costs, including interest, of \$9,611,895; and carrying costs of \$20,346,709. The recommended estimated 2013 true-up amount is an under recovery of \$22,292,480 for purposes of determining the total net 2014 Nuclear Cost Recovery amount in Issue 17.

Pursuant to the FPL Stipulation, approved by the Commission at hearing, the estimated 2013 carrying costs should be reduced to reflect a July 1, 2013 change in the applicable AFUDC rate. Staff presents this adjustment in Issue 17.

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Issue 16: What jurisdictional amounts should the Commission approve as reasonably projected 2014 costs for FPL's Extended Power Uprate project?

Recommendation: Staff recommends that the Commission approve as reasonable projected 2014 EPU Project jurisdictional expenditures of \$0; O&M costs, including interest, of \$-1,055; and carrying costs of \$1,524,201. The recommended projected 2014 recovery amount is \$1,523,146 for purposes of determining the total net 2014 Nuclear Cost Recovery amount in Issue 17.

Pursuant to the FPL Stipulation, approved by the Commission at hearing, the projected 2014 carrying costs should be reduced to reflect a July 1, 2013 change in the applicable AFUDC rate. Staff presents this adjustment in Issue 17.

Issue 17: What is the total jurisdictional amount to be included in establishing FPL's 2014 Capacity Cost Recovery Clause factor?

Recommendation: Staff recommends the Commission approve a total jurisdictional amount of \$43,461,246 as the 2014 Nuclear Cost Recovery Clause amount. This amount should be used in establishing FPL's 2014 Capacity Cost Recovery Clause factor.