

FLORIDA PUBLIC SERVICE COMMISSION

SPECIAL COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, October 17, 2017, 9:30 a.m.

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

DATE ISSUED: October 5, 2017

NOTICE

Conference agendas, staff recommendations, and vote sheets are available from the PSC website, <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). If you have any questions, contact the Office of Commission Clerk at (850) 413-6770 or Clerk@psc.state.fl.us.

In accordance with the Americans 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, 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 website. Upon completion of the conference, the archived video will be available from the website by selecting *Conferences & Meeting Agendas*, then *Audio and Video Event Coverage*.

ITEM NO.

CASE

1

Docket No. 20170009-EI – Nuclear cost recovery clause.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Brisé

Staff: IDM: Whitfield, Breman, Crawford, Hinton, Laux

ECO: Higgins, Stratis

ENG: Ellis, Lee

GCL: Mapp, DuVal

(Post-Hearing Decision - Participation is Limited to Commissioners and Staff)

Issue 1: Should the Commission find that FPL's 2015 and 2016 project management, contracting, accounting and cost oversight controls were reasonable and prudent for the Turkey Point Units 6 & 7 project?

Recommendation: Yes. Staff recommends the Commission find FPL's 2015 and 2016 Turkey Point Units 6 & 7 project management, contracting, accounting and cost oversight controls reasonable and prudent.

Issue 2: What jurisdictional amounts should the Commission approve as FPL's actual 2015 and 2016 prudently incurred costs and final true-up amounts for the Turkey Point Units 6 & 7 Project?

Recommendation: The Commission should approve \$46,978,739 (jurisdictional) as FPL's combined final 2015 and 2016 prudently incurred costs and an over recovery of \$7,305,202 as FPL's 2015 and 2016 combined final true-up amount for the TP Project.

Issue 3: Should the Commission approve FPL's request to defer recovery of costs for the Turkey Point Units 6 & 7 Project incurred after December 31, 2016, pursuant to Section 366.93 F.S., and Rule 25-6.0423 F.A.C.? If so, what type of information should FPL report on an annual basis in the Nuclear Cost Recovery docket?

Recommendation: Not at this time. Staff recommends the Commission find that there is insufficient record evidence in this proceeding to make an informed decision concerning prospective matters pertaining to the TP Project. Staff also recommends that if FPL intends to pause participation in the NCRC, then it should file annual budget and actual cost updates as required by Section 366.93(5), F.S., as well as a summary presentation of what is causing or expected to cause the project costs to change.

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Issue 4: If FPL continues to seek its combined operating license and defers the associated costs, are these costs eligible for cost recovery in a future time period pursuant to Section 366.93 F.S., and Rule 25-6.0423 F.A.C.?

Recommendation: No. In the absence of a long-term detailed feasibility analysis, FPL's deferred costs are not eligible for cost recovery in a future time period pursuant to Section 366.93, F.S., and Rule 25-6.0423, F.A.C. However, such costs may be eligible for recovery through the process of traditional rate making.

Issue 5A: Is FPL's decision to continue pursuing a combined operating license from the Nuclear Regulatory Commission for Turkey Point Units 6 & 7 reasonable?

Recommendation: Staff recommends that it is premature for the Commission to consider this issue at this time. As discussed in Issues 3, 4 and 6B, staff believes a feasibility analysis is required to inform the Commission concerning prospective matters. However, FPL did not file a feasibility analysis in either 2016 or 2017. Thus, the Commission does not have sufficient information to address FPL's request at this time.

Issue 6B: Was FPL required to file an annual detailed analysis of the long term feasibility of completing the Turkey Point Unit 6 & 7 project, pursuant to Rule 25-6.0423(6)(c)5., F.A.C.,? If so, has FPL complied with that requirement?

Recommendation: Yes, FPL intends to seek Commission review and approval of costs incurred beginning January 1, 2017, after it concludes its pause period; therefore, it was required to file an annual detailed analysis of the long term feasibility of completing the Turkey Point Unit 6 & 7 project pursuant to Rule 25-6.0423(6)(c)5., F.A.C. FPL has not complied with this requirement.

Issue 7: Has FPL complied with Order No. PSC-16-0266-PCO-EI? If not, what action should the Commission take, if any?

Recommendation: Yes. While FPL has not fulfilled all of the commitments that it represented to the Commission within the Order, no affirmative requirements were placed on FPL; therefore, FPL is in compliance with the Order. No further action from the Commission is necessary.

Issue 8: What is the total jurisdictional amount to be included in establishing FPL's 2018 Capacity Cost Recovery Clause factor?

Recommendation: The Commission should approve an over recovery of \$7,305,202 (jurisdictional) as FPL's 2017 NCRC amount for use in establishing FPL's 2018 Capacity Cost Recovery Clause factor.

Issue 9: 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 estimated non-binding cost range is \$14.96 to \$21.87 billion for FPL's proposed TP Project.

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Issue 10: What is the current estimated planned commercial operation date of the planned Turkey Point Units 6 & 7 nuclear facility?

Recommendation: FPL's current, non-binding, assumed commercial operation dates are 2031 and 2032 for the planned TP Project.

Issue 16: Should this docket be closed?

Recommendation: No. The Nuclear cost recovery clause is an on-going docket and should remain open.