

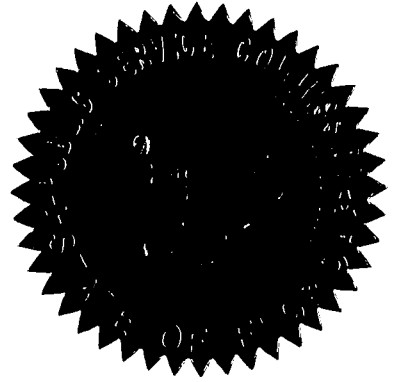
BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 070650-EI

In the Matter of:

PETITION TO DETERMINE NEED FOR TURKEY  
POINT NUCLEAR UNITS 6 AND 7 ELECTRICAL  
POWER PLANT, BY FLORIDA POWER & LIGHT  
COMPANY.

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PROCEEDINGS:           AGENDA CONFERENCE  
                          ITEM NO. 14

BEFORE:                 CHAIRMAN MATTHEW M. CARTER, II  
                          COMMISSIONER LISA POLAK EDGAR  
                          COMMISSIONER KATRINA J. McMURRIAN  
                          COMMISSIONER NANCY ARGENZIANO  
                          COMMISSIONER NATHAN A. SKOP

DATE:                   Tuesday, March 18, 2008

PLACE:                  Betty Easley Conference Center  
                          Room 148  
                          4075 Esplanade Way  
                          Tallahassee, Florida

REPORTED BY:           JANE FAUROT, RPR  
                          Official FPSC Reporter  
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DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION 02216 MAR 25 8

FPSC-COMMISSION CLERK

1 PARTICIPATING:

2 KATHERINE FLEMING, ESQUIRE, SHEVIE BROWN, and TOM  
3 BALLINGER, representing the Florida Public Service Commission  
4 Staff.

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

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2           **COMMISSIONER SKOP:** We are back on the record.

3           And thank you, Commissioners. We had an opportunity  
4 to give our court reporter a break. We got a new court  
5 reporter in, and we are now on Issue 14.

6           Staff, you are recognized to introduce the issue.

7           **MR. BROWN:** Thank you, Chairman.

8           Good morning. My name is Shevie Brown, I'm an  
9 analyst in the Bureau of Electric Reliability.

10           Item 14 is FPL's petition to determine the need for  
11 the proposed Turkey Point Units 6 and 7. Power plant  
12 construction is an essential component of meeting Florida's  
13 long-term electric reliability and energy security  
14 requirements.

15           In 2006, the Florida Legislature took steps to  
16 promote utility investment in additional nuclear power  
17 generation. In response to the new legislation, the PSC  
18 amended Rule 25-22.0821, which addresses contents which should  
19 be included in a petition for need determination, and adopted  
20 Rule 25-6.0423, which addresses recovery of costs incurred in  
21 the siting, design, licensing, and construction of nuclear  
22 power plants.

23           This recommendation is based on the evidence  
24 presented in this proceeding. The evidence in the case, FPL  
25 has a need for additional capacity in the 2018 through 2020

1 periods. DSM and renewable generation will satisfy some of  
2 this need, but additional nuclear power is necessary to address  
3 a major portion of it. Because of nuclear's long lead time,  
4 certain costs and design details may not be known at the time  
5 of a need determination filing. However, the PSC has a  
6 procedure in place to review the continued feasibility of these  
7 units on an annual basis.

8 FPL performed a break-even analysis that reflects  
9 long-term net savings for ratepayers over a variety of fuel and  
10 environmental cost scenarios. Such an analysis shows what  
11 capital costs could escalate to and still provide a net benefit  
12 to ratepayers. Nine different fuel and environmental scenarios  
13 were analyzed for gas and coal alternatives resulting in a  
14 total of 18 scenarios. The results indicated that Turkey Point  
15 6 and 7 will produce savings in 17 of the 18 scenarios  
16 considered. Staff is recommending that FPL's approach is  
17 reasonable and that an updated analysis be provided with the  
18 annual cost-recovery proceeding.

19 As part of implementing the new statutes passed in  
20 2006, the PSC adopted Rule 25-6.0423(5)(c)(5), which requires a  
21 utility seeking recovery of costs associated with a nuclear  
22 power plant to submit by May 1st of each year a detailed  
23 analysis of the long-term feasibility of completing the power  
24 plant for the Commission to review and approve. Such  
25 legislation and rules recognized the unique nature of nuclear

1 power generation, but still holds onto the general principle  
2 that a utility is responsible to prudently manage its costs  
3 before, during, and after construction of a power plant.

4 One reason a utility may not complete a nuclear power  
5 plant is that the unit may no longer be a cost-effective  
6 alternative. It would not be prudent for a utility to continue  
7 to spend money on a project that had become too expensive or  
8 impractical. In addition to the following requirements of the  
9 cost-recovery rule, staff is recommending that FPL file an  
10 updated break-even analysis as part of the review and the  
11 continued feasibility of the proposed project.

12 The following are additional strategic benefits of  
13 Turkey Point 6 and 7: Turkey Point 6 and 7 will provide  
14 between 2200 megawatts to 3040 megawatts of continuous base  
15 load power without emitting additional greenhouse gases. It  
16 would also help to balance FPL's fuel portfolio and would help  
17 to shield ratepayers from some of the fuel volatility and  
18 service interruption risks associated with natural gas in the  
19 long-term. These benefits may extend beyond the analysis  
20 period presented in this docket.

21 Finally, another issue discussed during this  
22 proceeding was whether FPL should commit to making reservation  
23 payments for certain long lead procurement components before it  
24 completes its first annual prudence review in 2008. In order  
25 to make its projected 2018 and 2020 in-service dates, FPL would

1 need to make these payments in June of this year. Staff is  
2 recommending that FPL make every effort to make the required  
3 in-service dates. However, the specific terms of the contract  
4 will be reviewed in the annual cost-recovery proceeding. As  
5 such, PSC staff recommends that FPL be granted a determination  
6 of need for Turkey Point 6 and 7 in order to maintain its fuel  
7 diversity and to provide ratepayers with long-term, adequate,  
8 and reasonably priced electricity.

9 Commissioners, that concludes my summary. However,  
10 at this time Ms. Fleming has an oral modification she would  
11 like to propose.

12 **COMMISSIONER ARGENZIANO:** Mr. Chairman.

13 **CHAIRMAN CARTER:** She has an oral modification. Do  
14 you want to hear that first?

15 **COMMISSIONER ARGENZIANO:** I just wanted to ask a  
16 question.

17 **CHAIRMAN CARTER:** You're recognized.

18 **COMMISSIONER ARGENZIANO:** Thank you.

19 When you were mentioning the new statutory language,  
20 were you referring to 366.93?

21 **MR. BROWN:** Correct.

22 **COMMISSIONER ARGENZIANO:** I just wanted to make sure  
23 we are on the right -- thank you.

24 **CHAIRMAN CARTER:** Ms. Fleming, you're recognized for  
25 an oral modification.

1           **MS. FLEMING:** Thank you, Commissioners.

2           Staff's oral modification is on Issue 5 to Seminole's  
3 position, which is found on Page 32 of the staff  
4 recommendation.

5           **CHAIRMAN CARTER:** Is that the typo?

6           **MS. FLEMING:** It is a scrivener's error.

7           **CHAIRMAN CARTER:** Oh, scrivener's error. Oh, sorry  
8 about the typo. You've got to watch those scriveners every  
9 time. I think we got that.

10           Commissioner Edgar, you're recognized.

11           **COMMISSIONER EDGAR:** I do have a couple of  
12 questions --

13           **CHAIRMAN CARTER:** You're recognized for your  
14 question.

15           **COMMISSIONER EDGAR:** -- if it's the appropriate time.  
16 Thank you.

17           A clarification for me, and then maybe just a  
18 comment. And to our staff I'm looking primarily at the  
19 information in Issues 4 and 6. Am I correct in that when we  
20 look at 17 of the 18 cases that are described with the fuel  
21 forecasts and the environmental costs forecasts that 17 of the  
22 18 indicate a savings over the life of the plant?

23           **MR. BROWN:** Yes, ma'am, that is correct.

24           **COMMISSIONER EDGAR:** Okay. And that if there is  
25 additional carbon limiting legislation at the state and/or

1 federal level that that would be additionally favorable  
2 financially to the economics of the proposed project?

3 **MR. BROWN:** Correct. Additional greenhouse gas  
4 regulation would also make the proposed plant more  
5 cost-effective, yes.

6 **COMMISSIONER EDGAR:** Thank you. And then I had one  
7 more along those same lines. As our staff has said, and as  
8 Commissioner Argenziano pointed out, noting that we are working  
9 under a new statute for the first time, and realizing that this  
10 is the first nuclear plant proposed in the state of Florida for  
11 many, many, many years, and also recognizing that there is  
12 always some uncertainty with any forecasting, in the opinion of  
13 the staff, is it necessary for us as a Commission to select a  
14 specific scenario on a go-forward basis as the most appropriate  
15 for an economic evaluation?

16 **MR. BROWN:** Well, I don't think we have to select a  
17 specific scenario. Because as the results show, in 17 of the  
18 18 they passed. So you would be probably putting yourself in a  
19 box if you did select one specific scenario. So I believe if  
20 you just look at the overall aspects of it, and that way it  
21 would probably give you a better look at things overall.

22 **COMMISSIONER EDGAR:** And, Mr. Chairman, and  
23 Commissioners, the point that I wanted to clarify in my own  
24 mind, and it's in keeping with the answers that I have just had  
25 from staff, is that since this is, obviously, to state the



1 obvious, a very large project, a lot of financial commitments,  
2 and obviously a long time period which is part of the good  
3 part, in my mind, of the project, but I wouldn't want us to  
4 lock ourselves into one particular economic analysis because I  
5 do think for this project with the annual reviews, if indeed it  
6 goes forward, and for any other future proposals that may come  
7 before us, that we need to maintain some flexibility as we look  
8 at those economic and financial evaluations.

9           Those are my questions at this point in time. I look  
10 forward to hearing any other questions from the other  
11 Commissioners, Mr. Chairman. After we have had those  
12 discussions and questions, I would like the opportunity to make  
13 just a few brief comments and a motion.

14           **CHAIRMAN CARTER:** Okay.

15           Commissioner McMurrian, you are recognized.

16           **COMMISSIONER McMURRIAN:** Thank you, Chairman.

17           I actually did have one question for staff. Staff, I  
18 have heard some suggestion that tomorrow's nuclear units may be  
19 designed such that safe and reliable operation may be possible  
20 for a period longer than the life of the unit, the 40-year  
21 life, and I know that some of the previous nuclear units have  
22 been approved for license renewal or seeking license renewal,  
23 and I know that you mention in your analysis that that is a  
24 possibility.

25           If units are extended either through license renewal

1 once, twice, what impact would that have on the savings that  
2 would be projected out? I know that we haven't done that, but  
3 generally what direction would that have? In the same vein of  
4 the environmental projections, if there were to be more strict  
5 regulations on environmental, we have talked about what  
6 direction the numbers would go, but if the license renewals  
7 were granted at some point, what effect would that have?

8 **MR. BROWN:** I believe, Commissioner, if that was the  
9 case, it would result in even greater savings. The reason why  
10 is because, you know, nuclear is a non-greenhouse gas emitting  
11 technology, therefore, with additional greenhouse regulation,  
12 or CO2 regulation, the benefits would even be greater, I think,  
13 for the ratepayers.

14 **COMMISSIONER McMURRIAN:** Thank you.

15 And, Chairman, like Commissioner Edgar, I think that  
16 was really the only question I had, but at some point, when  
17 it's appropriate, I would be interested in making some  
18 comments, as well.

19 **CHAIRMAN CARTER:** What I plan on doing is I was going  
20 to go to Commissioner Argenziano, then Commissioner Skop, and  
21 then I would come back to Commissioner Edgar. And if there is  
22 anything left to be said, I may just say something, otherwise,  
23 you know, I may not.

24 Commissioner Argenziano, you're recognized.

25 **COMMISSIONER ARGENZIANO:** Thank you, Mr. Chairman.

1 I guess my comments are probably going to be similar  
2 to everybody else's with the concerns for having, of course,  
3 number one, available capacity, which we need to make sure we  
4 have for the people of the state. But I'm kind of looking at  
5 the statutes, going through them now for the fourth time on  
6 energy and some of the new language and the alternative energy.  
7 We are kind of stuck between a rock and hard place sometimes.  
8 And it seems to me that the legislature in making these  
9 decisions, you know, saying that we have the -- you know, it's  
10 our bailiwick, so to speak, and in making its determination the  
11 Commission will take into account the need for electric system  
12 reliability, integrity, the need for adequate electricity at a  
13 reasonable cost, and the need for fuel diversity and supply  
14 reliability, and it goes on and on. Basically saying let's do  
15 this at the best cost. When you look at the alternative  
16 renewable section, it basically says that you need to utilize  
17 alternatives and renewables as often and as best as you can,  
18 keeping in mind cost.

19 But then we have the new language in 366.93 that  
20 allows the cost-recovery, even if the facility is not built, or  
21 let's say for a generator or forging that is purchased, then  
22 the cost-recovery is allowed even if that doesn't come to  
23 fruition, which to me, in my mind, goes back to maybe not the  
24 most cost-effective way of doing things for the consumer.

25 But, again, capacity comes to my mind as saying,

1    okay, how do we get there.  I'd like to see us moving towards  
2    more renewables.  I would like to see us moving towards more  
3    solar and the different possibilities of renewables, but I  
4    don't see that that fits the -- foots the bill right now to get  
5    us to where those peak demands are going to be.  So I'm not  
6    opposed to the power plant, but would like to see some movement  
7    towards the renewables and am very concerned about that, that  
8    if we don't start somewhere, because I remember back in '72 we  
9    said the same thing, and we haven't really moved forward to  
10   getting there.

11                    But with that said, I had concerns with water issues,  
12   environmental impacts on the water issues, the costs of the  
13   availability of the water treatment, and everything that goes  
14   along with the water issue seems to be that what I see today in  
15   front of me are assurances.  They are not guarantees, they are  
16   assurances that these have been looked at and they have been  
17   included in the costs.  So I'm feeling more comfortable with  
18   that.

19                    I don't know where we go down the line, what my --  
20   let's see, what my, I guess, what I can do down the line if  
21   those costs change, if those assurances change to a different  
22   scenario.  I don't know where we kick in at that point to say,  
23   hey, wait a minute, this was not within the picture that I had  
24   before me at the need determination.  And, of course, the other  
25   issue is fuel storage, which I know so many people are

1 concerned with, as well as myself, and the Yucca storage  
2 mountain. I understand that the feds really have  
3 responsibility for disposal, and I hope they get off their  
4 duffs, in a very nice way, but I hope they do and start  
5 deciding what they are going to do with that issue.

6 And, again, within what is before me, I'm looking at  
7 we have storage capacity for the next ten years, and I'm  
8 concerned because some of these new plants would be 20 years  
9 down the line, and I'm not sure where storage would be.

10 So, again, in the future, looking at it, and for  
11 other Commissioners who come after we are here, I wonder what  
12 their recourse is if we go off course somehow. But as of right  
13 now, what I'm looking at is some good assurances, but I really  
14 do hope that, you know, because we are constrained within the  
15 statutes, too, and the policymakers have told us what we need  
16 to do, I just hope that we can move forward on renewables that  
17 help the nuclear power plants and help us along to move forward  
18 that way.

19 But, otherwise, I would like to thank staff, I really  
20 would, because you did a great job answering a lot of questions  
21 that I had, the information that I needed to have to make a  
22 comfortable decision, and I just appreciate that.

23 Thank you, Mr. Chairman.

24 **CHAIRMAN CARTER:** Thank you, Commissioner.

25 Commissioner Skop, you are recognized, sir.

1                   **COMMISSIONER SKOP:** Thank you, Chairman Carter.

2                   I have no technical comments, other than wanting to  
3 thank staff for the hard work that they did on this  
4 recommendation. But before a motion would be made I would have  
5 some comments, if I could just go out of line, but I just do  
6 have comments before a motion. Thank you.

7                   **CHAIRMAN CARTER:** Okay. Do you want -- okay, I'll  
8 come back to you for your comments. Let me just do this,  
9 Commissioners, with your indulgence.

10                  Staff, I want you to go to, and kind of delineate for  
11 us the page that shows the processes that FPL had gone through  
12 in terms of generating renewables and other powers, and other  
13 DSM techniques to show that -- and I think, as my colleagues  
14 have said, that staff has done a great job, is that we have  
15 looked under every tree, and did as much DSM and as much  
16 renewables as we could for now.

17                  The future looks bright. The future looks bright for  
18 Florida, and that's no pun intended. I think we need to have  
19 this base load unit, these base load units on there so we can  
20 keep the lights on, but the future is bright for a lot of  
21 renewables to provide off-peak opportunities and other kinds of  
22 things of that nature as well as demonstrating possibly,  
23 Commissioner Skop, a whole new marketplace in the state of  
24 Florida for renewables. And I'm really excited about that.  
25 And I know staff is wondering where was I directing them to,

1 but I was stalling so you could find that place. Have you  
2 found it, Shevie?

3 **MR. BROWN:** I found it.

4 **CHAIRMAN CARTER:** All right. You're recognized.

5 **MR. BROWN:** What we have seen so far from the  
6 evidence, of course, FPL since 1980 up to 2006 have implemented  
7 over 3600 megawatts of savings from DSM programs. So that's  
8 something that we saw so far. They plan to achieve up to  
9 1900 megawatts of additional DSM up through the 2020 period, so  
10 that's their plan. However, if they don't meet that, then that  
11 is just going to be more need for generation, if they cannot  
12 use the DSM to provide generation. And despite -- let's see, I  
13 lost my train of thought there. Despite the efforts that they  
14 have done so far, they would need over 5000 megawatts of DSM to  
15 provide that, and right now that just doesn't exist today.

16 **CHAIRMAN CARTER:** Thank you.

17 Commissioners, what I would like to do now is kind of  
18 put us in the posture of comments. Because I think with what  
19 the legislature and the governor has done in terms of that law  
20 has put us in a posture to where they want us to move forward  
21 in Florida. I'm sure that our colleagues from other states,  
22 you have gotten calls and information and requests for  
23 information on what we are doing in Florida and how things are  
24 going, and I think that by virtue of looking at the DSM,  
25 looking at renewables, looking at other lower cost alternatives

1 in the same context of having base load units like this, I  
2 think we'll probably be a model for the nation when we take  
3 this holistic approach. Because eventually there is going to  
4 be a whole new industry out there providing renewables, and I'm  
5 hopeful that we can be at ground zero in Florida to share those  
6 best practices with our colleagues around the country and  
7 probably around the nation. Around the world for that matter.

8 But I did want to kind of put us in the posture,  
9 because we had a lot of great testimony, and from the evidence  
10 that was presented to us, the testimony, the evidence, the  
11 statute, the rules, I looked at a savings of a billion dollars  
12 up to, I believe it's for the first ten years -- is it 20 years  
13 a billion dollar savings?

14 Mr. Ballinger, you're recognized.

15 **MR. BALLINGER:** It was estimated at a billion dollars  
16 a year in fuel savings alone.

17 **CHAIRMAN CARTER:** A billion dollars a year in fuel  
18 savings alone. And when you put it in the context of other  
19 fossil fuels, and put it in the context of other fossil fuels,  
20 it's zero emissions. When you put it in the context. I know  
21 people will try to say there's no emission, but I'm saying when  
22 you put it in the context of other fossil fuels, it's zero  
23 emissions.

24 And I think there is something -- Mr. Ballinger, help  
25 me out -- I think that over the life of it, it is like



1 \$94 billion in fuel savings.

2 **MR. BALLINGER:** You are correct.

3 **CHAIRMAN CARTER:** That goes to the ratepayers and  
4 that is the good thing. Commissioners, I think that with staff  
5 and the parties and all of the people that participated, and I  
6 think we have done some good work on this, and I did want to  
7 just have an opportunity for us to comment on this, because it  
8 is a new statute, we are on the verge of doing some great  
9 things. The governor with his leadership on climate change,  
10 his leadership on the new energy for Florida, his leadership  
11 on -- a couple of weeks ago he was saying that the population  
12 trends in Florida, we said a couple of years ago there were  
13 like 1,004 people a day moving to Florida, and the governor  
14 said a couple of weeks ago, he said, well, there's only 700  
15 people a day, but a lot of states would love to have 700 people  
16 a day moving into their states.

17 So there is still a tremendous amount of growth  
18 coming to our area. And over the last couple of years, just  
19 anecdotally, members, as we look at the population growth for  
20 the service area it is tremendous. And I believe that we are  
21 on the verge of doing the best thing that we can for all  
22 parties concerned following the law that's set by the governor  
23 and legislature, providing base load units for the burgeoning  
24 populations, also creating an environment for renewables,  
25 because we are not doing this in the abstract, this is a

1 holistic approach.

2 And with that, Commissioners, I wanted to kind of --  
3 Commissioner Skop, you said you had some technical. How do you  
4 want to do that?

5 **COMMISSIONER SKOP:** No, Chairman Carter, no technical  
6 questions, just general comments before we bring a motion.

7 **CHAIRMAN CARTER:** Okay. Commissioners, why don't I  
8 do this. Why don't I work from my left to my right or my right  
9 to my left -- which way is that? Commissioner Edgar, let me  
10 get back to you. You had questions, but I didn't recognize you  
11 for your comments yet. You're recognized for your comments.

12 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.

13 I did ask my questions, and I thank you for the  
14 opportunity to do so. I did ask at the appropriate time I  
15 would like to be recognized for a motion and very brief  
16 comments that would go with that. So I will hold on that if  
17 that's all right, and I would defer to Commissioner Skop for  
18 his comments.

19 **CHAIRMAN CARTER:** Commissioner Skop, you're  
20 recognized, sir.

21 **COMMISSIONER SKOP:** Thank you, Chairman Carter.

22 Just some historical comments that I would like to  
23 make as we move into voting on this decision. I guess  
24 beginning on December 20th, 1951, history was made at the Idaho  
25 National Laboratory where Walter Zinn, a veteran of the

1 Manhattan project, started up experimental breeder reactor one  
2 and illuminated a string of only four light bulbs. The next  
3 day he lit the whole building. That was the first time that  
4 atomic power had ever been used to generate electricity.

5 Ever since the atom has been harnessed for the  
6 peaceful use of mankind nuclear power has provided a clean,  
7 safe, reliable, and cost-effective method to power generation.

8 The decision that we will make today will have a  
9 profound impact on Florida's ability to meet its future energy  
10 needs. Simply put, nuclear power is a strategic investment for  
11 the state of Florida and our national security to reduce our  
12 dependence on foreign oil and to protect our environment. In  
13 this regard, I fully support approval of the need determination  
14 for the Turkey Point 6 and 7 nuclear generating units, as well  
15 as approval of all the issues before us. And I'm hopeful that  
16 each of my colleagues will do the same in support of reaching a  
17 unanimous decision on this issue of great importance to the  
18 state of Florida.

19 Thank you.

20 **CHAIRMAN CARTER:** Thank you, Commissioner Skop.

21 As always, eloquent and with a sense of history, and  
22 we sincerely appreciate that. I wanted to say that I sincerely  
23 appreciate what you had to say on that. That's a tremendous  
24 thing. I was watching something the other day about these guys  
25 were standing outside while their pants were being pressed and

1 they were playing golf. I think it was GE or somebody like  
2 that. I don't know, whatever. They said the first outdoor  
3 baseball game. These guys were just engineers at GE and they  
4 just turned the lights on to do that. So, I mean, out of  
5 seemingly innocuous situations great things have sprung from  
6 that. And I think that is what you were saying in the context  
7 of history that you are putting us in, and I sincerely  
8 appreciate your comments, sir. Very well received.

9 Commissioner Argenziano, you're recognized.

10 **COMMISSIONER ARGENZIANO:** I basically said what I was  
11 going to say, but just to clarify two things. One, don't  
12 forget Oak Ridge, either. That's a great place for nuclear  
13 power. And, Mr. Chair, you were right, and I failed to mention  
14 that before, because there was a lot of discussion about fossil  
15 fuels being spent during the construction of a nuclear power  
16 plant, but when you look at the greater picture for the life of  
17 that energy producing plant, there is no emissions, and that is  
18 the main goal, as you know, of our state, and many other states  
19 have been following.

20 And just appreciate, also, the company giving the  
21 information the way they did, and hopefully it works out within  
22 that little kind of frame that they gave us, because the  
23 information was very important for staff to have to give to us  
24 to be able to make that determination.

25 So, with that being said, I think that unfortunately

1 right now there weren't the renewables that could meet the  
2 energy demands that we are facing, but hopefully, as I was  
3 trying to say before, hopefully we'll compliment this nuclear  
4 power plant and the nuclear energy as we move along with some  
5 renewables.

6 Thank you, Mr. Chairman.

7 **CHAIRMAN CARTER:** Thank you, Commissioner.

8 Commissioner McMurrin.

9 **COMMISSIONER McMURRIAN:** Thank you, Chairman.

10 I don't think I will be as eloquent or as brief as my  
11 colleagues, but I wanted to say that I think it's important to  
12 start off talking about that all across the country and, of  
13 course, a lot of you know we attend NARUC meetings, we hear  
14 from commissioners in other states, and I believe it's true to  
15 say that all across the country the cost of providing  
16 electricity are on the rise and rates are going up.

17 The good news today is that we can take a step to  
18 keep rates as affordable as possible over the long-term for  
19 Florida's consumers. Nuclear investment, in my opinion, is a  
20 critical piece of the plan to provide reliable and affordable  
21 electricity to consumers as are energy efficiency and  
22 conservation and renewables.

23 Clearly, this state needs more nuclear power. I  
24 suspected that before we started this case, and now I  
25 absolutely know it. The record clearly shows the need for

1 additional base load generation and that the proposed units at  
2 Turkey Point provide the most cost-effective source consistent  
3 with the goals that Commissioner Argenziano mentioned earlier,  
4 providing electric system reliability and integrity, fuel  
5 diversity, and adequate electricity at reasonable cost. For  
6 all of those reasons, consumers will benefit. And I realize  
7 some are skeptical of that, and I wanted to talk about that a  
8 little bit.

9           We heard from consumers at our hearings, both in  
10 Miami and here, that they are sincerely concerned about the  
11 safety of nuclear power. But, in my opinion, history has shown  
12 that nuclear power has served us safely, reliably, and  
13 economically for decades. And I guess it is best not to just  
14 take my word for it, because I'm obviously no expert on nuclear  
15 safety. But according to Doctor Nils Diaz, who testified in  
16 this case, and he is the former chairman of the NRC that  
17 regulates the safety of all nuclear plants, his quote was, "The  
18 104 nuclear units licensed to operate in 30 states generate  
19 approximately 1/5th of the nation's electricity, and have a  
20 combined record of more than 2,615 reactor years of safe  
21 operation providing reliable capacity and energy for  
22 electricity consumers around the country."

23           Also, consumers raised important questions about  
24 water supply and cost. I think Commissioner Argenziano  
25 mentioned those, as well as about storage and disposal of spent

1 nuclear fuel, and she also mentioned that. I believe the  
2 record and the staff recommendation addressed those concerns to  
3 the extent of our authority, and that we will be further  
4 examining these costs in future proceedings. And I would also  
5 like to add that the long-term waste disposal issue can be, and  
6 I believe will be ultimately resolved.

7 But back to the point, the record shows that  
8 consumers will benefit from Turkey Point 6 and 7 due to  
9 significant fuel and environmental savings that we talked about  
10 earlier, all of us talked about that are expected and that  
11 can't be matched by other base load generation options.

12 I, too, thank the staff for their hard work on this,  
13 not just in answering the questions that were put before us,  
14 but including in the recommendation the important information  
15 about the consumers' input, and helpful background about the  
16 federal and particularly the state, which several of my  
17 colleagues have already mentioned, state initiatives to  
18 mitigate the economic risk associated with the long lead time  
19 and high capital cost associated with nuclear plants.

20 So, in conclusion, based on the record developed in  
21 this case, I strongly support granting FPL's petition for a  
22 determination of need for proposed Turkey Point 6 and 7, and I  
23 look forward to hearing a motion.

24 **CHAIRMAN CARTER:** You didn't mention my comments in  
25 your statement there. I don't feel loved.

1           **COMMISSIONER McMURRIAN:** I support those, too,  
2 Chairman, of course.

3           (Laughter.)

4           **CHAIRMAN CARTER:** Thank you, Commissioner.  
5 Commissioner Edgar, you're recognized.

6           **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.

7           Colleagues, very briefly, I mentioned at the hearing  
8 that when I was looking at these issues that I would be guided  
9 most strongly by the questions and the criteria that are listed  
10 in the statute. And most specifically those questions are  
11 included in Issues 1 through 6, very briefly. Reliability and  
12 fuel diversity, base load generating capacity, adequate  
13 electricity at a reasonable cost, and cost issues. I am, as I  
14 sit here on every issue that comes before us in the electric  
15 realm of our regulatory duties, am guided very strongly by my  
16 belief in our charge to further reliability and that fuel  
17 diversity is a very important piece of that. And I find those  
18 two factors very, very persuasive in this specific docket that  
19 is before us.

20           I also think that in the executive summary and  
21 elsewhere in the item that staff has presented to us that it  
22 states very clearly that if Item 8 is approved, or Issue 8 is  
23 approved, that it will be the duty of the utility to take all  
24 reasonable steps to meet the in-service dates of the proposed  
25 units. And I do believe that this includes taking steps to



1 reserve equipment, to reserve workforce, which I think is going  
2 to be an issue probably, and to do all other steps to move  
3 forward in a financially prudent manner with all due diligence,  
4 but, yet all due haste, as well.

5 In my own view, just speaking for myself, I see Issue  
6 9 as a subpart of Issue 8, and I think that staff has done an  
7 excellent job of addressing some of the questions that were  
8 raised at the hearing. And I thank them for fleshing that out  
9 more. That gave me some additional comfort, and I'm very, very  
10 appreciative of that.

11 I also would like to say thank you to Mr. and  
12 Mrs. Krasowski, who participated in the proceeding. You all  
13 have heard me say numerous times, and you will hear me say it  
14 again, that I do think that our processes work best with full  
15 participation and with diverse and varied participation,  
16 especially within an evidentiary hearing. It is very, very  
17 useful to have different perspectives participate.

18 And I note that in Issue 8 the position that was put  
19 forward by the Krasowskis says that they and others, and me, as  
20 well, I'll chime in, expect this Commission to continue to  
21 pursue innovative energy efficiency and conservation strategies  
22 and to develop programs to increase renewable generation  
23 technologies. And I believe that as we go forward with this  
24 docket and many of the other things that we are working on that  
25 we are doing just that. And, again, I welcome the thoughts of

1 other experts and interested parties as we proceed in those  
2 veins, as well.

3 I also recognize that as we look at those efficiency  
4 and conservation strategies in trying to promote new  
5 technologies and growing technologies in this state, that we  
6 will be looking at additional ways to evaluate the  
7 cost-effectiveness, and the financial commitments and  
8 obligations, and cost/benefit of those, and I welcome those  
9 discussions, as well.

10 So with that, Mr. Chairman, Commissioners, I am just  
11 so pleased to have been able to participate in this docket and  
12 this issue. Again, I thank all the participants, our staff,  
13 and my colleagues for your questions that were very helpful to  
14 me. And I am very, very pleased to make the motion and  
15 recommend that we approve Issues 1 through 9 -- 10, 1 through  
16 10.

17 **COMMISSIONER SKOP:** Second.

18 **CHAIRMAN CARTER:** It has been moved and properly  
19 seconded that we approve Issues 1 through 10 on be Tab 14.  
20 Commissioner Argenziano, did you get that? On Tab 14. All  
21 those in favor let it be known by the sign of aye.

22 (Unanimous affirmative vote.)

23 **CHAIRMAN CARTER:** All those opposed, like sign.

24 Thank you, Commissioners. It is a very historic day  
25 in the state of Florida.

1 Commissioner Skop, you're recognized, sir.

2 **COMMISSIONER SKOP:** I just want to echo that,  
3 because, again, I think today is a great day for the state of  
4 Florida as we demonstrate our continuing leadership in  
5 embracing clean energy sources that reduce our state's and our  
6 nation's dependence on foreign oil while protecting our  
7 environment. And, likewise, it was quite an honor and  
8 privilege for me to serve as the prehearing officer and be able  
9 to participate in this historic decision before us today.

10 And, finally, I would also like to recognize FPL's  
11 management team for its commitment to pursuing clean generation  
12 technologies on behalf of our state. I think that is very,  
13 very, very important. And just finally, although this is the  
14 first of many regulatory approvals, I wish FPL good luck and  
15 Godspeed in implementing these nuclear generating units for the  
16 benefit of our state and our environment.

17 Thank you.

18 **CHAIRMAN CARTER:** Thank you, Commissioner Skop.

19 And, Commissioners, as I said, it's a historic day  
20 for us here in the state of Florida. We have moved off of  
21 about to, or as we used to have this saying in south Georgia,  
22 which probably won't mean anything to you, it is like fittin'  
23 to (phonetic). That means like I am going to. Fittin' to.  
24 I'm fittin' to do this, I'm fittin' to do that. You've never  
25 heard that before?

1           **COMMISSIONER ARGENZIANO:** We have a very different  
2 phrase in Brooklyn.

3           **CHAIRMAN CARTER:** How do you say it in Brooklyn?

4           **COMMISSIONER ARGENZIANO:** Nevermind.

5           **CHAIRMAN CARTER:** Oh, okay. That's right, this is a  
6 family show. But I do want to say to my colleagues, thank you  
7 for your courage; thank you for your steadfastness; thank you  
8 for your studiousness; and thank you, Commissioners, for the  
9 hearings that you attended; thank you for reading all the  
10 materials and reams and reams of papers; and thank you for  
11 listening to all of the testimony; thank you for each one of  
12 you and your hard work.

13                   And I think that, as we have all said, in addition to  
14 maintaining the base load unit, which these nuclear power  
15 plants will provide, we also look forward, we look forward to  
16 renewables creating an environment in Florida for renewable  
17 energies. We do so with the utmost of urgency. And I just  
18 want to say from the depths of our heart, I sincerely  
19 appreciate you. It is an honor and a privilege to serve with  
20 you. Thank you, Commissioners.

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STATE OF FLORIDA )

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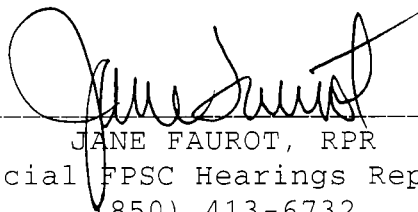
COUNTY OF LEON )

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 24th day of March, 2008.



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