

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear cost recovery clause.

DOCKET NO. 090009-EI

DATED: AUGUST 10, 2009

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COMMISSION
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STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-09-0137-PCO-EI, filed March 6, 2009, the Staff of the Florida Public Service Commission files its Prehearing Statement.

a. All Known Witnesses

Staff intends to offer the following testimony:

<u>Witness</u>	<u>Subject</u>	<u>Issue</u>
Jeffery A. Small	PSC Staff's Financial Audits of Progress Energy Florida, Inc. (PEF)	22 and 28
Joint Testimony of Lynn Fisher and David Rich	PSC Staff's Project Management Audits of FPL	7 and 7A
Joint Testimony of William Coston and Geoff Cryan	PSC Staff's Project Management Audits of PEF	21 and 21A

b. All Known Exhibits

Staff intends to offer the following exhibits associated with the testimony of Jeffery A. Small:

<u>Exhibit</u>	<u>Title</u>
JAS-1	Audit Report to address the pre-construction costs as of December 31, 2007 for Levy County Units 1 & 2
JAS-2	Audit Report for 2008 power uprate costs for the Crystal River Unit 3 nuclear power plant
JAS-3	Audit Report to address the site selection, pre-construction, and construction costs as of December 31, 2008 for Levy County Units 1 & 2

DOCUMENT NUMBER-DATE

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Staff intends to offer the following exhibit associated with the joint testimony of Lynn Fisher and David Rich:

FR-1 Review of Florida Power & Light's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects, July 2009

Staff intends to offer the following exhibit associated with the joint testimony of William Coston and Geoff Cryan:

CC-1 Review of Progress Energy Florida's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects, July 2009

c. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

d. Staff's Position on the Issues

ISSUE 1 Should over or under collections in the Capacity Cost Recovery Clause be included in the calculation of recoverable costs in the NCRC?

POSITION No.

ISSUE 2 When a utility elects to defer recovery of some or all of the costs that the Commission approves for recovery through the Capacity Cost Recovery Clause, what carrying charge should accrue on the deferred balance?

POSITION No position at this time.

ISSUE 3 Should FPL and PEF be permitted to record in rate base the incremental difference between Allowance for Funds Used During Construction (AFUDC) permitted by Section 366.93, F.S. and their respective most currently approved AFUDC, for recovery when the nuclear plant enter commercial operation?

POSITION No position at this time.

FPL Project Management and Oversight

ISSUE 4 Should the Commission find that for the years 2006 and 2007, FPL's accounting and costs oversight controls were reasonable and prudent for Turkey Point Units 6 & 7 project?

POSITION No position at this time.

ISSUE 5 Should the Commission find that for the years 2006 and 2007, FPL's project management, contracting, and oversight controls were reasonable and prudent for Turkey Point Units 6 & 7 project?

POSITION No position at this time.

ISSUE 6 Should the Commission find that for the year 2008, FPL's accounting and costs oversight controls were reasonable and prudent for Turkey Point Units 6 & 7 project and the Extended Power Uprate project?

POSITION No position at this time.

ISSUE 7 Should the Commission find that for the year 2008, FPL's project management, contracting, and oversight controls were reasonable and prudent for Turkey Point Units 6 & 7 project and the Extended Power Uprate project?

POSITION No position at this time.

ISSUE 7A Is FPL's decision in 2008 to pursue an alternative to an Engineering Procurement Construction (EPC) contract for the Turkey Point 6 & 7 project prudent and reasonable?

POSITION No position at this time.

FPL's Project Feasibility

ISSUE 8 Should the Commission approve what FPL has submitted as its annual detailed analyses of the long-term feasibility of completing the Turkey Point 6 & 7 project, as provided for in Rule 25-6.0423, F.A.C?

POSITION No position at this time.

ISSUE 8A If the Commission does not approve FPL's long term feasibility analyses of Turkey Point 6 & 7, what further action, if any, should the Commission take?

POSITION No position at this time.

ISSUE 9 Should the Commission approve what FPL has submitted as its annual detailed analyses of the long-term feasibility of completing the EPU project, as provided for in Rule 25-6.0423, F.A.C?

POSITION No position at this time.

FPL's Extended Power Uprate Project

ISSUE 10 What system and jurisdictional amounts should the Commission approve as FPL's final 2008 prudently incurred costs for the Extended Power Uprate project?

POSITION No position at this time.

ISSUE 11 Are FPL's 2008 actual, 2009 actual/estimated and 2010 projected EPU project costs separate and apart from the nuclear costs that would have been necessary to provide safe and reliable service had there been no EPU project?

POSITION No position at this time.

ISSUE 12 What system and jurisdictional amounts should the Commission approve as FPL's reasonable actual/estimated 2009 costs for the Extended Power Uprate project?

POSITION No position at this time.

ISSUE 13 What system and jurisdictional amounts should the Commission approve as FPL's reasonably projected 2010 costs for the Extended Power Uprate project?

POSITION No position at this time.

FPL's Turkey Point Units 6 & 7 Project

ISSUE 14 What system and jurisdictional amounts should the Commission approve as FPL's final 2006 and 2007 prudently incurred costs for the Turkey Point Units 6 & 7 project?

POSITION No position at this time.

ISSUE 15 What system and jurisdictional amounts should the Commission approve as FPL's final 2008 prudently incurred costs for the Turkey Point Units 6 & 7 project?

POSITION No position at this time.

ISSUE 16 What system and jurisdictional amounts should the Commission approve as reasonably estimated 2009 costs for FPL's Turkey Point Units 6 & 7 project?

POSITION No position at this time.

ISSUE 17 What system and jurisdictional amounts should the Commission approve as reasonably projected 2010 costs for FPL's Turkey Point Units 6 & 7 project?

POSITION No position at this time.

FPL's 2010 Capacity Cost Recovery Clause Amount

ISSUE 18 What is the total jurisdictional amount to be included in establishing FPL's 2010 Capacity Cost Recovery Clause factor?

POSITION No position at this time.

PEF Project Management and Oversight

ISSUE 19 Should the Commission find that for the years 2006 and 2007, PEF's accounting and costs oversight controls were reasonable and prudent for Levy Units 1 & 2 project?

POSITION No position at this time.

ISSUE 20 Should the Commission find that for the years 2006 and 2007, PEF's project management, contracting, and oversight controls were reasonable and prudent for Levy Units 1 & 2 project?

POSITION No position at this time.

ISSUE 21 Should the Commission find that for the year 2008, PEF's project management, contracting, and oversight controls were reasonable and prudent for Levy Units 1 & 2 project and the Crystal River Unit 3 Uprate project?

POSITION No position at this time.

ISSUE 21A Was it reasonable and prudent for PEF to execute its EPC contract at the end of 2008? If the commission finds that this action was not reasonable and prudent, what actions, if any, should the Commission take?

POSITION No position at this time.

ISSUE 22 Should the Commission find that for the year 2008, PEF's accounting and costs oversight controls were reasonable and prudent for Levy Units 1 & 2 project and the Crystal River Unit 3 Uprate project?

POSITION No position at this time.

PEF's Project Feasibility

ISSUE 23 Should the Commission approve what PEF has submitted as its annual detailed analysis of the long-term feasibility of continuing construction and completing the Levy Units 1 & 2 project, as provided for in Rule 25-6.0423, F.A.C., and Order No. PSC-08-0518-FOF-EI (Determination of Need Order)?

POSITION No position at this time.

ISSUE 23A If the Commission does not approve PEF's long term feasibility analysis of Levy Units 1 & 2, what further action, if any, should the Commission take?

POSITION No position at this time.

ISSUE 23B What further steps, if any, should the Commission require PEF to take regarding the Levy Units 1 & 2?

POSITION No position at this time.

ISSUE 24 Should the Commission approve what PEF has submitted as its annual detailed analysis of the long-term feasibility of completing the Crystal River Unit 3 Uprate project, as provided for in Rule 25-6.0423, F.A.C?

POSITION No position at this time.

PEF's Crystal River Unit 3 Uprate Project

ISSUE 25 What system and jurisdictional amounts should the Commission approve as PEF's final 2008 prudently incurred costs for the Crystal River Unit 3 Uprate project?

POSITION No position at this time.

ISSUE 26 What system and jurisdictional amounts should the Commission approve as PEF's reasonably estimated 2009 costs for the Crystal River Unit 3 Uprate project?

POSITION No position at this time.

ISSUE 27 What system and jurisdictional amounts should the Commission approve as PEF's reasonably projected 2010 costs for the Crystal River Unit 3 Uprate project?

POSITION No position at this time.

PEF's Levy Units 1 & 2 Project

ISSUE 28 What system and jurisdictional amounts should the Commission approve as PEF's final 2006 and 2007 prudently incurred costs for the Levy Units 1 & 2 project as filed in Docket No. 080009-EI?

POSITION No position at this time.

ISSUE 29 What system and jurisdictional amounts should the Commission approve as PEF's final 2008 prudently incurred costs for the Levy Units 1 & 2 project?

POSITION No position at this time.

ISSUE 30 What system and jurisdictional amounts should the Commission approve as reasonably estimated 2009 costs for PEF's Levy Units 1 & 2 project?

POSITION No position at this time.

ISSUE 31 What system and jurisdictional amounts should the Commission approve as reasonably projected 2010 costs for PEF's Levy Units 1 & 2 project?

POSITION No position at this time.

PEF's 2010 Capacity Cost Recovery Clause Amount

ISSUE 32 Should the Commission approve PEF's alternative cost recovery proposal, as set forth in PEF's Petition and supporting Testimony, as to recovery of NCRC costs?

POSITION No position at this time.

ISSUE 32A If the answer to Issue 32 is yes, what is the total jurisdictional amount to be included in establishing PEF's 2010 Capacity Cost Recovery Clause factor?

POSITION No position at this time.

ISSUE 32B If the answer to Issue 32 is no, what is the total jurisdictional amount to be included in establishing PEF's 2010 Capacity Cost Recovery Clause factor?

POSITION No position at this time.

e. Stipulated Issues

None at this time.

f. Pending Motions

Staff has no pending motions.

g. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests.

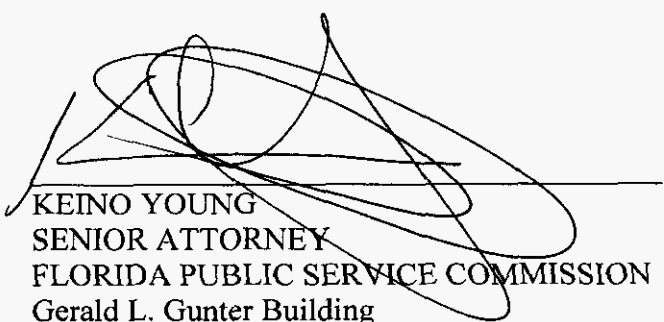
h. Objections to Witness Qualifications as an Expert

None.

i. Compliance with Order No.09-0137-PCO-EI

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this _____ day of _____, 20____.



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DATED: AUGUST 10, 2009

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing STAFF'S PREHEARING STATEMENT have been served by U.S. Mail, on this 10th day of August, 2009.

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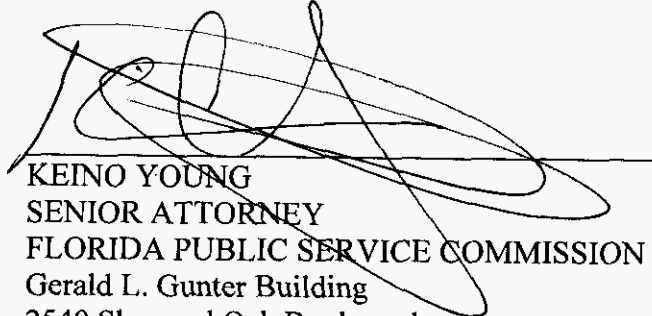
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