

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 100437-EI

EXAMINATION OF THE OUTAGE AND
REPLACEMENT FUEL/POWER COSTS
ASSOCIATED WITH THE CR3 STEAM
GENERATOR REPLACEMENT PROJECT,
BY PROGRESS ENERGY FLORIDA, INC.

COMMISSION
CLERK

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PROCEEDINGS: STATUS CONFERENCE

COMMISSIONER
PARTICIPATING: COMMISSIONER EDUARDO E. BALBIS
PREHEARING OFFICER

DATE: Monday, January 7, 2013

TIME: Commenced at 10:00 a.m.
Concluded at 10:32 a.m.

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

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

1 APPEARANCES:

2 JOHN T. BURNETT, ESQUIRE, Progress Energy
3 Florida, Inc., Post Office Box 14042, St. Petersburg,
4 Florida 33733-4042, appearing on behalf of Progress
5 Energy Florida, Inc.

6 JAMES W. BREW, ESQUIRE, Brickfield Law Firm,
7 Eighth Floor, West Tower, 1025 Thomas Jefferson Street,
8 NW, Washington, DC 20007, appearing on behalf of White
9 Springs Agricultural Chemicals Inc. d/b/a PCS
10 Phosphate.

11 JON C. MOYLE, JR., ESQUIRE, Moyle Law Firm,
12 The Perkins House, 118 North Gadsden Street,
13 Tallahassee, Florida 32301, appearing on behalf of the
14 Florida Industrial Power Users Group.

15 ROBERT SCHEFFEL WRIGHT, Gardner Law Firm,
16 1300 Thomaswood Drive, Tallahassee, Florida 32308,
17 appearing on behalf of the Florida Retail Federation.

18 CHARLES REHWINKEL, DEPUTY PUBLIC COUNSEL,
19 Office of Public Counsel, The Florida Legislature, 111
20 W. Madison Street, Room 812, Tallahassee, Florida
21 32399-1400, appearing on behalf of the Citizens of the
22 State of Florida.

23 GEORGE CAVROS, ESQUIRE, Southern Alliance for
24 Clean Energy, 120 East Oakland Park Blvd., Suite 105,
25 Fort Lauderdale, Florida 33334, appearing on behalf of

1 Southern Alliance for Clean Energy.

2 APPEARANCES (Continued):

3 KEINO YOUNG, ESQUIRE, LEE ENG TAN, ESQUIRE,
4 and MICHAEL LAWSON, ESQUIRE, FPSC General Counsel's
5 Office, 2540 Shumard Oak Boulevard, Tallahassee,
6 Florida 32399-0850, appearing on behalf of the Florida
7 Public Service Commission Staff.

8 CURT KISER, GENERAL COUNSEL, and MARY ANNE
9 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service
10 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
11 Florida 32399-0850, Advisor to the Florida Public
12 Service Commission.

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1 purpose of this conference is set forth in that notice.

2 **COMMISSIONER BALBIS:** Okay. Thank you.

3 I would like to now take appearances
4 starting with Progress Energy Florida.

5 **MR. BURNETT:** Good morning, Commissioner.
6 John Burnett, Progress Energy Florida.

7 **MR. MOYLE:** Jon Moyle with the Moyle law firm
8 on behalf of the Florida Industrial Power Users Group,
9 FIPUG.

10 **MR. CAVROS:** Good morning, Commissioner.
11 George Cavros appearing on behalf of Southern Alliance
12 for Clean Energy.

13 **MR. BREW:** Good morning, Commissioner.
14 James Brew of the firm of Brickfield,
15 Burchette, Ritts, and Stone for White Springs
16 Agricultural Chemicals, PCS Phosphate.

17 **MR. WRIGHT:** Robert Scheffel Wright with the
18 Gardner Bist Wiener Law Firm appearing on behalf of the
19 Florida Retail Federation.

20 **MR. REHWINKEL:** Good morning, Commissioner.
21 Charles Rehwinkel, Office of Public Counsel, on behalf
22 of the Citizens of Florida.

23 **COMMISSIONER BALBIS:** Staff.

24 **MR. LAWSON:** Keino Young, Lee Eng Tan, and
25 myself, Michael Lawson, appearing on behalf of Legal

1 Staff.

2 **MS. HELTON:** And Mary Anne Helton, Advisor to
3 the Commission; also appearing is the General Counsel,
4 Curt Kiser.

5 **COMMISSIONER BALBIS:** Okay. I believe that
6 is everyone. Now I'd like to proceed to the next
7 section, which is the status update from Progress
8 Energy Florida.

9 **MR. BURNETT:** Thank you, Commissioner.

10 I do have some opening remarks that I'd
11 like to read, and then I will be available for any
12 questions.

13 Since the last update to this Commission
14 in October, the company has continued gathering the
15 information it needs to complete the repair/retire
16 analysis for Crystal River Unit 3. As we noted in
17 our last update, we continue to believe that the
18 company will be in a position to make a decision no
19 later than summer of 2013. The company is committed
20 to making the best possible decision for all
21 stakeholders.

22 Since the last update in October, the
23 company has also completed two mediation sessions
24 with its insurance carrier, NEIL. As is common in
25 alternative dispute resolution matters, the rules

1 governing that mediation require us to maintain the
2 substance of those sessions in confidence. We can
3 report, however, that informal settlement
4 discussions with NEIL are still ongoing. If we are
5 unable to reach a settlement with NEIL, then the
6 next step would be formal arbitration pursuant to
7 the terms of the governing insurance policies.

8 As we continue through this process, CR3
9 remains safely shutdown and the condition of the
10 unit has not changed since our last report in
11 October. We appreciate the opportunity to address
12 the Commission today and are prepared to answer any
13 questions you may ask.

14 **COMMISSIONER BALBIS:** Okay. Thank you. And
15 I assume that concludes your update?

16 **MR. BURNETT:** Yes, sir. But, again, we are
17 available for any of the other topics you have or any
18 questions.

19 **COMMISSIONER BALBIS:** Okay. And I would turn
20 it over the intervenor parties if they have any
21 questions for Progress Energy Florida before I ask any
22 questions that I have. So with that, we'll start --
23 well, I will look to the group if there are any
24 questions at this point.

25 Mr. Cavros.

1 **MR. CAVROS:** Thank you, Commissioner. I
2 would like to know if Mr. Burnett can provide an update
3 on the status of the negotiations with URS.

4 **MR. BURNETT:** Yes, sir. We are substantially
5 complete with the negotiations regarding any terms and
6 conditions of the contract. But the actual scope of
7 work of any repair remains at issue because of the
8 technical evaluation that is ongoing, taking into
9 consideration the Zapata report needs to be completed,
10 vetted through our senior management committee.

11 Then the next step would be taking that
12 scope if it were to change at all in duration or in
13 the scope of work back to URS to negotiate any
14 increase or decrease or changed scope of work. So
15 largely we have done everything we can do at this
16 time pending the completion of the technical
17 analysis.

18 **MR. CAVROS:** And I did have another question,
19 and that is the process by which Progress Energy used
20 to determine its preferred repair option. It chose an
21 option that was pretty much consistent with the time
22 frame that was laid out in the stipulation and
23 settlement agreement, and we have some concerns that we
24 don't want this agreement tainting an ultimate repair
25 or retire decision.

1 So, you know, I certainly would like some
2 assurance on that, that that is, in fact, not
3 happening. Because the preferred alternative,
4 again, coincidentally tracks very closely with the
5 repair which was contemplated in the settlement
6 agreement. And, additionally, you know, we have
7 some concerns that the company didn't use a company
8 like Zapata, an independent review team, to lay out
9 all the options before reaching its preferred repair
10 option.

11 **COMMISSIONER BALBIS:** Okay. I'm not sure if
12 I even understand your question on that, but -- I
13 think, you know, maybe we should clarify what the
14 purpose of today is.

15 You know, we have this docket separated
16 out into three phases, and the settlement agreement
17 handled one of the phases of the docket. And the
18 next one will be when to start the formal hearing
19 process on the decision to repair or retire. So the
20 purpose of today and the status conferences is to
21 find out where Progress is on that decision so that
22 we can schedule that formal hearing process. And
23 also, as part of the settlement agreement, there was
24 a provision that if the parties cannot work out --
25 or there is an issue between the parties, to bring

1 it to the full Commission for consideration. So
2 that's what I feel is the purpose of these status
3 conferences.

4 I understand your comment. I don't
5 understand the question, if there was one in there,
6 other than it was just a general comment. So if you
7 want to maybe refocus on what the purpose of today
8 is and ask on that or on the update that was
9 provided by Progress, you can do so.

10 **MR. CAVROS:** Okay. Thank you, Commissioner.
11 Perhaps they're better left for the very end, which
12 covers the settlement agreement. Thank you.

13 **COMMISSIONER BALBIS:** Okay.

14 Any other questions from the intervenor
15 parties?

16 **MR. MOYLE:** I had one just on the timing. In
17 your overview you laid out a timing, and I know when we
18 previously got together, I think there was discussion
19 about April hearing dates. But it largely depends on
20 the timing of a decision from the company, and the time
21 frame, I guess, is, you know, from now until summer.
22 Is there any way to hone in a little bit on the
23 likelihood of when in that period we may get a
24 decision?

25 **MR. BURNETT:** Yes. Mr. Moyle, the answer to

1 your question is no, I really can't give any finer of a
2 date point between today and the summer of 2013. I can
3 tell you that if the decision were made in shorter
4 order, it seems that the April could be feasible. I
5 mean, I would anticipate that we could make our filings
6 in relatively short order. But you said it exactly
7 right, it really depends on when the decision is as to
8 whether those dates would remain viable.

9 **MR. MOYLE:** And then, you know, your
10 preference as to a related question on timing as it
11 impacts it, and then the NEIL issue. I was curious,
12 you know, two mediations have taken place, but a
13 similar question with respect to, you know, NEIL. I
14 mean, it has been two years since we have had the
15 settlement agreement. And, you know, I understand it's
16 complex, but it seems like, you know, FIPUG has raised
17 an issue about the two events versus one event, and a
18 lot of these insurance issues.

19 Any sense of your timing with respect, you
20 know, to NEIL and when that process is going to
21 either result in resolution or you say, you know, we
22 can't get a deal done. We are going to move into
23 arbitration, or appraisal, or some other dispute
24 resolution process?

25 **MR. BURNETT:** Yes, sir. Mr. Moyle, as we sit

1 here today, you're right, we have had two mediations.
2 I do not know of another mediation being scheduled at
3 this time. But as I mentioned in the briefing, the
4 mediator has not declared an impasse yet nor have the
5 parties, so those discussions do continue. I think it
6 really depends on how those go as to what the next step
7 is and when we would move to arbitration, if we did.

8 **MR. MOYLE:** And I just had one other timing
9 question, again. When we have met last, I think there
10 was a discussion about you all were looking at the
11 Zapata report and putting together an analysis, and I
12 think staff had asked for a copy of that. Is that
13 complete and/or do you expect it to be completed here
14 before too long? If so, when, and do you anticipate
15 distributing copies?

16 **MR. BURNETT:** Yes. Within the next week,
17 possibly two at the outset, I do anticipate that that
18 report will leave the technical committee and will then
19 go to our chief nuclear officer who will take the
20 report to our senior management and vet the report with
21 senior management. Once it gets through that process,
22 then it would be in a position to ultimately go to our
23 board of director at that time. So that's kind of the
24 time frame I have now.

25 **MR. MOYLE:** Thank you. That's all I have.

1 **COMMISSIONER BALBIS:** Okay. Mr. Burnett, I
2 have a couple of questions. You mentioned on
3 October 30th that you had four teams that were working
4 on this. You had the technical team, the retirement
5 decommissioning team, the repair project team that is
6 dealing with the contractor, and then, I think, what
7 you called an information gathering team.

8 And on October 30th you mentioned that the
9 technical portion was likely to be completed in
10 November. So are you anticipating -- what is the
11 status of each of those, of the work from each those
12 teams? If you could walk us through that.

13 **MR. BURNETT:** Yes, sir. So with respect to
14 the decommissioning team, that work product is largely
15 complete and being finalized, but I don't think there
16 is anything substantial to do there, so what a
17 decommissioning scenario or retirement scenario would
18 look like in terms of decommissioning the unit is
19 largely done.

20 As I mentioned earlier to one of the
21 previous questions, with respect to the project
22 team, largely all the work they could do at this
23 time in conjunction with URS, the contractor, is
24 largely complete, as well. And the only thing that
25 would move that is if the technical team came out

1 with a different scope or duration of work than is
2 currently anticipated.

3 The technical team we just addressed with
4 Mr. Moyle's question. Again, I anticipate within
5 this week or the next that that report will be
6 finalized and able to be released in final draft
7 form to our chief nuclear officer and our senior
8 management committee.

9 And then, finally, the qualitative and
10 quantitative analysis team is largely completed with
11 a good scope of their work, but the technical
12 analysis and any impact to the scope of the repair
13 would also drive their work product. So they are
14 kind of on hold for that to get the final output
15 from that team, as well, once that is vetted. But I
16 imagine once they have those data inputs to what we
17 would believe the final scope of a repair scenario
18 might look like, they could finish their work as
19 well.

20 **COMMISSIONER BALBIS:** Okay. And also, we are
21 coming up on some dates in early spring as far as
22 filings for the fuel docket, the NCRC docket, and also
23 the ten-year site plan. When does Progress Energy
24 Florida start developing those filings? Because what I
25 don't want to have happen is the decision being made

1 after those are filed, and if it is not consistent with
2 those filings then we have another year of incorrect
3 data, if you will.

4 **MR. BURNETT:** Yes, sir. So starting with the
5 most pressing of the ones you mentioned, our ten-year
6 site plan, we are actually in the process of doing that
7 now. Under normal circumstances our assumptions for
8 the ten-year site plan would be locked down in
9 mid-February, so that is probably the one that has the
10 greatest time constraints on it. And once we lock
11 those assumptions down, if anything changes after that,
12 then we would be into the April filing with, perhaps,
13 information that would be subject to change if that
14 happened.

15 With the fuel filing or the nuclear
16 filings, largely I don't thinking CR3 would be much
17 of an issue on those, other than the assumptions we
18 use with the extended power uprate and the return to
19 service date in conjunction with that. As you know,
20 that filing is substantially going to be the one
21 made in May, so that is kind of how that stacks up
22 with where we are now versus the summer of 2013 end
23 point for the decision.

24 **COMMISSIONER BALBIS:** Okay. So mid-February
25 or the ten-year site plan. And I think that might be

1 one of the most critical ones, because, you know, on
2 reviewing last year's filing, you know, obviously the
3 reserve margins were affected by not only this unit,
4 but other ones that are possibly scheduled for
5 retirement. So there is a possibility that the
6 decision will be made prior to the February filing,
7 then?

8 **MR. BURNETT:** It's certainly possible, sir.
9 I mean, it is within the realm of between now and the
10 summer of 2013. I just can't tell you how likely it is
11 at this point.

12 **COMMISSIONER BALBIS:** Okay. That's all the
13 questions I had at this point.

14 Are there any questions on the status
15 update?

16 Okay. So we'll move on to the next
17 portion of the status conference, which is a joint
18 report by the parties.

19 **MR. REHWINKEL:** Thank you, Commissioner
20 Balbis.

21 In the spirit of the day, I have very
22 little to report other than the parties have met.
23 We have fulfilled our obligations with respect to
24 the quarterly meetings. We met by teleconference on
25 December 6th and in person on December 14th.

1 We have had subsequent meetings that
2 revolve around the update on the technical report,
3 on the Zapata report, the decision-making process
4 timing, and the NEIL -- status of the NEIL
5 mediation, to the extent that Progress can disclose
6 that information within the guidelines of the
7 mediator. So from the parties' standpoint, we have
8 been fully apprised and have engaged in rather
9 robust discussions within the spirit of the
10 settlement document.

11 I would just also like to say that we are
12 not aware that Progress has made a decision, based
13 on our discussions, with respect to which repair
14 path they would ultimately settle on if they take
15 that path. So from our standpoint that is a
16 completely open issue, from the intervenors'
17 standpoint.

18 Beyond that, I think that is all the
19 intervenors have to report affirmatively, but we
20 stand ready to answer any questions you might have.

21 **COMMISSIONER BALBIS:** Okay. And I do have a
22 question. Once the technical report, or the executive
23 team, or the board is briefed, what do you anticipate
24 the intervenor parties' involvement will be and at what
25 stage? What is your understanding of that?

1 **MR. REHWINKEL:** Well, I think there are
2 basically three major triggering points within the
3 document. One which would be the company announces a
4 public -- publicly announces a repair plan. And once
5 they do that and they have a plan with a schedule and
6 dollars attached to it, that triggers an official
7 20-day clock that we would have to respond to that.

8 In that regard, they have been keeping us
9 posted on the various scenarios they are looking at
10 so that we can have our experts informed about that
11 process so that we are not behind the eight ball
12 once that clock starts running, if it does. So
13 that's one.

14 The other is that we would be formally
15 apprised of a number from NEIL, and there's a
16 process in there that triggers another 20-day clock.
17 When that happens, we would also have that. But, of
18 course, as you have heard, that process is still
19 underway.

20 And then finally if there was a repair or
21 retire decision that was to be made, and to our
22 knowledge it has not been made. So there is no,
23 again, potential triggering point for us to bring
24 something to the Commission.

25 And there is also, I guess, kind of a

1 fourth point which is kind of you blend the two
2 together. If you have a NEIL number and a repair
3 number and there is a gap, there is also a provision
4 in the document that says you can discuss it, decide
5 how you want to handle it, and if you can't resolve
6 it bring to the Commission. None of those events
7 have matured to this point, so we have nothing yet
8 to do in that regard, if that answers your question.

9 **COMMISSIONER BALBIS:** Okay. Are there any
10 questions or comments of the joint report? Okay. We
11 will move on to the next section of the agenda, and
12 that is concerning the impacts of delaying repair or
13 retire decision, specifically towards the settlement
14 agreement. And, you know, obviously the December 31st,
15 2012, deadline has passed, so I'd like to give Progress
16 an opportunity to comment on those impacts.

17 **MR. BURNETT:** Yes, Commissioner. So under
18 Section 9B of the settlement agreement, as you
19 mentioned, the December 31st, 2012, deadline has
20 passed. So as I understand the application, if we made
21 a repair decision, the amount of money, if any, that
22 would be due and owing to be refunded to customers
23 would be contingent on the return to service date of
24 CR3. So if it's in 2015, if it doesn't returned to
25 service in 2015 on a prorated basis, I think there is

1 \$40 million of money at issue, and in 2016 there is
2 60 million. So the return to service date drives the
3 amount of money due to the ratepayers. If a retirement
4 decision is made, then naturally CR3 would not be in
5 service in 2015 or 2016 and those refunds during that
6 time would be subject to refund.

7 **COMMISSIONER BALBIS:** And the repair option
8 that URS provided a proposal on, that was, I believe, a
9 30-month -- was it a 30-month repair time frame?

10 **MR. BURNETT:** Initially, I think,
11 approximately 33 months, yes.

12 **COMMISSIONER BALBIS:** 33 months. Okay. I'm
13 trying to do the math in my head. But, you know, with
14 that time frame and without compressing the schedule, I
15 assume there is a deadline coming up soon where, you
16 know, it wouldn't be anticipated that the plant comes
17 on-line before the 2015 time frame. We should be
18 coming up on that soon, I would think.

19 **MR. BURNETT:** Yes, sir. I mean, based off --
20 if you wanted to take that 33 and just round it to a
21 nominal 36, I'm just picking a number there just based
22 off the numbers we had, you would do the math from
23 today as we sit here in, you know, in 2013, that adds
24 three years to that if we were to start today. So, I
25 mean, with the Zapata report I believe the Commission

1 was provided a box that put out four potential
2 scenarios at least that we were looking at between URS
3 and the independent review team and the like. So if
4 you just do the math on where we are sitting here today
5 that could be indicative.

6 But, again, I would note that the
7 technical review committee is looking at not only
8 scope, but duration of repairs as we sit here, so
9 that would be subject to change. But, you're right,
10 those numbers can give you indicative return to
11 service.

12 **COMMISSIONER BALBIS:** Okay. Now, Mr. Cavros,
13 you indicated that you had a question that you would
14 pose during discussions on the settlement agreement?

15 **MR. CAVROS:** Thank you, Commissioner.

16 Reading through the settlement agreement,
17 it doesn't appear to address some of the repair
18 options that have been identified in the Zapata
19 report, one of them being the \$2.5 billion repair
20 that would take 60 months, or the worst-case
21 scenario, the 3.5 billion taking 96 months.

22 It seems to only contemplate up to about
23 2015 and 2016, what would happen if it were not in
24 operation up till that point. And I guess I'll
25 throw this question to any of the parties to that

1 agreement to see how they would handle that.

2 **MR. REHWINKEL:** I can say that if the repair
3 path is chosen and there was a repair path that exceeds
4 the assumed time frame that we just discussed, the
5 approximately three-year time frame. If it goes past
6 2016, the parties are free to bring back the issue
7 about replacement fuel costs. So we would not be bound
8 by any of the limitations or waivers of rights that are
9 in the agreement if it goes past that time frame.

10 So in our view, an extended repair
11 schedule would be contemplated in the agreement, if
12 it gets into that space. So the Commission and the
13 parties would have an opportunity to review the
14 prudence of replacement power, if it went out beyond
15 that time frame.

16 So we have already got a \$288 million
17 refund that has started as of this week. There is
18 another 100 million for '14 and '15, and then '16
19 and out would be covered by that provision that says
20 we are back in the game with respect to challenging
21 the replacements power costs.

22 **MR. WRIGHT:** Commissioner, and the repair
23 costs. That's in 10(a)(4). If they haven't commenced
24 by 12/31/12, we know that intervenor parties reserve
25 all rights to challenge decisions to repair and the

1 prudence of implementing any subsequent repairs. In
2 short, all bets are off. And I think in response to
3 Mr. Cavros' question, the agreement does address it in
4 that way.

5 **COMMISSIONER BALBIS:** Mr. Cavros, does that
6 address your concerns?

7 **MR. CAVROS:** It does. Thank you.

8 **COMMISSIONER BALBIS:** Okay. Any other
9 questions concerning the settlement agreement?

10 **MR. MOYLE:** I have one, if I could. And
11 maybe I would pose it to counsel for Progress. But,
12 you know, the mediation process is taking place, and
13 according to my math with Zapata and the RFP, you have
14 got a 1.5 billion number there. You know, one event on
15 fuel is 500 million. Two billion here. The worst-case
16 scenario is like 3 billion. If you have two events,
17 each of them are 500 million, so it's a 4 billion. Two
18 billion to 4 billion. If you guys go to mediation and
19 come in, you know, with a number of 100 million, just
20 for hypothetically speaking, is it contemplated in the
21 agreement that we have a hearing on that, do you know?

22 **MR. BURNETT:** I'm not sure about all the
23 numbers you put out, but I think the ultimate question,
24 Mr. Moyle, is is it contemplated whether we have a
25 hearing on the resolution of NEIL, and I think Mr.

1 Rehwinkel addressed that properly in his briefing on
2 the settlement provision. Now, we do have an
3 obligation to get with the settlement parties with any
4 proposed resolution of NEIL, and then the document
5 dictates as to whether or not that goes to a hearing or
6 not, depending on if there is an agreement or not, or
7 whether a repair or retire is made.

8 **MR. MOYLE:** I mean, even if there is
9 agreement, does it come to the Commission, do you know?

10 **MR. BURNETT:** With respect to the resolution
11 of NEIL, I would imagine that that would be something
12 looked at it in the Phase 3 docket.

13 **MR. MOYLE:** Thank you.

14 **COMMISSIONER BALBIS:** Any other questions?

15 Okay. Seeing none, I just want to move on
16 to when to commence Phase 2 of the docket.

17 The April dates were thrown out, or at
18 least the April time frame was thrown out in the
19 October meeting. It sounds like that would be
20 possible to keep that if the decision is made within
21 the next month or so. So I just want to confirm
22 with the parties that those dates still work or that
23 time frame still works. And if not, if there is a
24 deadline where all the work that needs to be done
25 prior to that, if we could start thinking about

1 that, because it sounds like a decision is imminent,
2 and I would like to be prepared to move forward with
3 the evidentiary process.

4 **MR. REHWINKEL:** Commissioner, I can say that
5 from our standpoint, we are starting to get into the
6 window of the point of no return with respect to just
7 the logistics of a hearing. I understand that
8 Progress, if they kind of internally know where their
9 decision-making is going, they can prepare and have
10 testimony and a petition ready to go. That doesn't
11 necessarily satisfy the parties' needs with respect to
12 potential discovery, et cetera.

13 At this time, though, I can say this. The
14 sooner that decision comes, the more likely it is
15 that the dates that you have set aside would be
16 viable. But logically the longer the decision goes
17 out towards the time frames that Mr. Burnett laid
18 out, the less practical it would be to do that.

19 So we are still, I think, at a point where
20 we are kind of watching the clock, and I could
21 commit to you that at least the intervenors will
22 probably get together, and if we see a time frame
23 that is collapsed to where it is not workable, we
24 would bring that to you as soon as possible. But I
25 don't see any reason at this time to give up those

1 dates, if that answers your question.

2 **COMMISSIONER BALBIS:** Yes, it does. And, you
3 know, the way I envision this working, if there is a
4 public announcement of the decision then, you know,
5 obviously things will start happening quickly, and
6 Staff will be working with the parties on selecting
7 dates. We won't necessarily wait on a status
8 conference in order to set those, just so we can things
9 rolling. And I would expect that with the level of
10 coordination and cooperation between the parties that
11 hopefully the hearing process may be smoother, at least
12 from a coordination and logistics standpoint.

13 So we will stick with those dates, you
14 know, the April time frame out there. Obviously if
15 something changes, if it's delayed, then we will
16 move forward with the scheduling of other dates.

17 And, Staff, I'll give you the opportunity
18 to make any comments on the scheduling of Phase II,
19 or if I covered that for you.

20 **MR. YOUNG:** (Inaudible; microphone off.)

21 **COMMISSIONER BALBIS:** Okay. So that
22 concludes the regularly scheduled agenda, if you will,
23 or the scheduled agenda. You know, it's somewhat
24 awkward to have this process, but, I mean, this is
25 something that I think is important to get all the

1 parties together in public to discuss this very
2 important issue. And so we have a decision that's
3 coming soon, which I'm glad that it is coming soon,
4 whichever way, because there's things that need to
5 happen at that point. But it should be obvious that
6 this is an important issue, that all the parties are
7 involved, that all the parties are coordinating. It is
8 affecting a great number of Floridians, and it's
9 something that this Commission is watching closely.

10 So, you know, I appreciate everyone's
11 cooperation. I'm glad to see that the settlement
12 appears to be working, that the level of cooperation
13 is there, and that all the parties are involved.

14 So I'll give you this opportunity, any
15 closing comments or questions from the parties?

16 And seeing none, I'd like to adjourn this
17 status conference. Thank you.

18 (The Status Conference concluded at
19 10:32 a.m.)
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STATE OF FLORIDA)

: CERTIFICATE OF REPORTER

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 11th day of January, 2013.



JANE FAUROT, RPR
FPSC Official Commission Reporter
(850) 413-6732