

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 160009-EI

NUCLEAR COST RECOVERY CLAUSE.
_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 3

COMMISSIONERS
PARTICIPATING: CHAIRMAN JULIE I. BROWN
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER JIMMY PATRONIS

DATE: Thursday, July 7, 2016

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

REPORTED BY: LINDA BOLES, CRR, RPR
Official FPSC Reporter
(850) 413-6734

P R O C E E D I N G S

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2 **CHAIRMAN BROWN:** All right. Moving to Item 3.
3 We've got Ms. Mapp, who's going to present it. Thank
4 you.

5 **MS. MAPP:** Good morning, Commissioners.
6 Kyessa Mapp for the Office of General Counsel.

7 Item 3 addresses Florida Power & Light
8 Company's motion to defer all issues and cost recovery
9 in Docket 160009-EI until 2017.

10 On April 27th, 2016, FPL filed a petition to
11 waive the filing of a long-term, detailed feasibility
12 analysis required by Rule 25-6.0423(6)(c)5, Florida
13 Administrative Code. A notice was filed in the Florida
14 Administrative Register, and comments were received from
15 OPC, SACE, Miami, and FIPUG in opposition.

16 Following this, on June 17th, 2016, FPL filed
17 this motion to defer all issues, consideration of all
18 issues and cost recovery until 2017, at which time a
19 feasibility analysis will be filed. If this motion is
20 approved, FPL will withdraw its petition for a rule
21 waiver.

22 Staff has made an oral modification, which is
23 reflected in the docket file, and recommends approval of
24 FPL's motion. PCS Phosphate, FRF, and Duke Energy take
25 no position. OPC, Miami, and SACE do not object. FIPUG

1 opposes the motion. And OPC is present and would like
2 to address the Commission. And staff and FPL, I believe
3 Jessica Cano is representing them, are available to
4 answer any questions the Commission may have.

5 **CHAIRMAN BROWN:** Thank you. Before we get
6 into that, I just want to point out, though, Mr. Moyle
7 is not here representing FIPUG today?

8 **MS. MAPP:** No. FIPUG is not present here
9 today.

10 **CHAIRMAN BROWN:** Okay. Thank you.

11 Ms. Cano, would you like to go first before
12 Office of Public Counsel?

13 **MS. CANO:** Sure. Thank you. Good morning,
14 Chairman Brown and Commissioners. My name is Jessica
15 Cano, and I am representing Florida Power & Light
16 Company in support of staff's recommendation and to
17 respond to any comments from other parties as necessary
18 and to any Commissioner questions. Thank you.

19 **CHAIRMAN BROWN:** Good morning,
20 Ms. Christensen.

21 **MS. CHRISTENSEN:** Good morning, Commissioners.
22 Patty Christensen with the Office of Public Counsel.
23 And I'm just here to make a brief statement. We too
24 support staff's recommendation. We believe that both
25 Commission rule and prior Commission order require that

1 the long-term feasibility analysis be done annually, and
2 we had filed our objection to the rule waiver filed by
3 FPL for those reasons as well as others. We appreciate
4 that FPL is proposing to withdraw its request for a rule
5 waiver upon -- if this motion is granted, and we would
6 support that.

7 And we also wanted to make sure that it was
8 clear on the record that our position is -- we took no
9 position on the motion. Actually, I think we said we
10 took no position so long as all of the FPL issues are
11 deferred till next year, including prudence review, to
12 the 2017 NCRC proceeding when FPL is planning on filing
13 its long-term feasibility study. And with that on the
14 record, we are here today, again, to support staff's
15 recommendation. Thank you.

16 **CHAIRMAN BROWN:** Thank you.

17 Commissioners, any questions of the parties or
18 staff?

19 Commissioner Edgar and then Graham.

20 **COMMISSIONER EDGAR:** Thank you, Madam Chair.

21 I would just say that I believe that this item
22 before us is in keeping with both the letter and the
23 intent of the statute and with our implementing rule.
24 When this project was initially proposed and the
25 statutes under which it came before us jurisdictionally

1 and substantively, there was a strong recognition that
2 it is a long project with many steps and also a long
3 process procedurally with many steps and with many
4 reviews, and appropriately so. And so with -- in
5 keeping with that long process and recognizing that
6 circumstances are always evolving, I am supportive of
7 the staff recommendation on this item and will be glad
8 to make a motion to that affect at the appropriate time.

9 **CHAIRMAN BROWN:** Thank you.

10 Commissioner Graham.

11 **COMMISSIONER GRAHAM:** Thank you. As
12 Prehearing Officer, I say ditto to my colleague. But
13 the question I have is do we know why FIPUG opposes
14 this?

15 **MS. MAPP:** Commissioner, FIPUG stated that,
16 within their prehearing statements filed within this
17 docket, that they believe it is a requirement to file an
18 annual feasibility analysis and that FPL should have
19 filed a feasibility analysis this year and, therefore,
20 they oppose the motion.

21 **COMMISSIONER GRAHAM:** Thank you.

22 **CHAIRMAN BROWN:** A couple of questions for
23 FPL.

24 Ms. Cano, with regard to Turkey Point 6 and 7,
25 what does the deferral mean with regard to planning and

1 construction as you move forward and deal with the site
2 issues and obtaining the COL?

3 **MS. CANO:** The deferral actually means nothing
4 with respect to the project substantively. We continue
5 to work to obtain all the necessary federal, state, and
6 local approvals for future construction, and we expect
7 that work to continue in 2016 and in 2017.

8 **CHAIRMAN BROWN:** Thank you. And then FPL
9 estimates obtaining a COL in late 2017?

10 **MS. CANO:** That's the current estimate, yes.

11 **CHAIRMAN BROWN:** Okay. So then the
12 feasibility study will be filed in first quarter of next
13 year?

14 **MS. CANO:** Yes, consistent with the Order
15 Establishing Procedure in next year's docket.

16 **CHAIRMAN BROWN:** Okay. Great. And then
17 what's the current -- I know that the in-service dates
18 have been moved back a time or two. What's the current
19 estimated in-service dates?

20 **MS. CANO:** FPL has not undertaken the process
21 of formally revising its project schedule. Of course,
22 the decision not to initiate preconstruction work at the
23 earliest opportunity next year will have some impact on
24 that. It's reasonable to assume about a year-for-year
25 deferral between 2017 and when the company begins

1 preconstruction work. But a detailed revision of the
2 project schedule has not yet been done.

3 **CHAIRMAN BROWN:** Can you tell me what the
4 intent was behind the waiver request?

5 **MS. CANO:** The waiver request was really an
6 acknowledgment that we're nearing the end of the
7 licensing process and that we expect to obtain
8 particularly the federal license as early as next year.
9 And so the feasibility analysis itself presents
10 information for a multi-decade time frame, and it really
11 wasn't going to provide any meaningful information to
12 the company in terms of whether it should complete these
13 last year -- this last year or so of licensing.

14 **CHAIRMAN BROWN:** But you're still planning on
15 filing one, irrespective of that argument, in 2017?

16 **MS. CANO:** We will. As acknowledged in the
17 motion to defer and in light of the strong positions
18 presented by all the parties, yes, we will resume those
19 filings.

20 **CHAIRMAN BROWN:** I think that's important. I
21 think the statute lays that out clearly, so -- if you
22 seek cost recovery.

23 Staff, what would the carrying charges -- what
24 are the carrying charges going to be if we approve the
25 staff recommendation to defer?

1 **MR. BREMAN:** It could be in the range of
2 \$2 million.

3 **CHAIRMAN BROWN:** Okay. Or more?

4 **MR. BREMAN:** Or less, yes, ma'am. It's in the
5 range.

6 **CHAIRMAN BROWN:** Okay. And so what does
7 approving this deferral mean for this year's hearing
8 with regard to Turkey Point?

9 **MR. BREMAN:** There won't be one.

10 **CHAIRMAN BROWN:** That's what I wanted to hear.

11 **MR. BREMAN:** We'll hear the arguments of
12 everybody next year.

13 **CHAIRMAN BROWN:** Okay. Thank you.

14 Commissioners, any further questions or
15 comments?

16 Commissioner Edgar, I think we're ripe for a
17 motion.

18 **COMMISSIONER EDGAR:** Thank you, Madam Chair.
19 I'd move approval of the staff recommendation on issues
20 1 and 2 for this item.

21 **CHAIRMAN BROWN:** With the oral modification?

22 **COMMISSIONER EDGAR:** Yes, ma'am.

23 **COMMISSIONER GRAHAM:** Second.

24 **CHAIRMAN BROWN:** All those in favor?

25 (Vote taken.)

1 The motion passes.

2 Thank you very much for all your work.

3 **MS. CANO:** Excuse me, Chairman Brown.

4 **MR. HINTON:** Chairman.

5 **CHAIRMAN BROWN:** Uh-oh. Which one goes first?

6 Mr. Hinton, go ahead.

7 **MR. HINTON:** I was just going to make a
8 clarification. It was mentioned that the feasibility
9 analysis would be filed in the first quarter. It would
10 actually be the second quarter of next year.

11 **CHAIRMAN BROWN:** May, it would be in May.

12 **MR. HINTON:** The May testimony, correct.

13 **CHAIRMAN BROWN:** Thank you. All right.

14 **MS. CANO:** Thank you. And could I obtain
15 confirmation that this means FPL and parties involved
16 only in the FPL issues this year are excused from both
17 the prehearing conference as well as the technical
18 hearing?

19 **CHAIRMAN BROWN:** Legal?

20 **MS. MAPP:** Yes. With the Commission's
21 approval of FPL's deferral, all FPL issues would be
22 removed from the draft Prehearing Order and they would
23 not need to be present at the prehearing or hearing.

24 **MS. CANO:** Thank you.

25 **CHAIRMAN BROWN:** Any other comments before

1 this item is moved? Thank you.

2 (Agenda item concluded.)

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