

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost Recovery
Clause.

DOCKET NO.: 170009-EI

FILED: July 20, 2017

**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S
PREHEARING STATEMENT**

The Florida Industrial Power Users Group ("FIPUG"), pursuant to the Order Establishing Procedure in this docket, Order No. PSC-2017-0057-PCO-EI, issued February 20, 2017, hereby submits its Prehearing Statement.

APPEARANCES:

Jon C. Moyle, JR.
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Attorneys for the Florida Industrial Power Users Group

1. WITNESSES:

All witnesses listed by other parties

2. EXHIBITS:

All exhibits listed by other parties.

3. STATEMENT OF BASIC POSITION:

DEF

FIPUIG takes no position and does not object to DEF's positions on the issues related to

the recovery of the CR3 EPU project which costs are being recovered pursuant to the provisions of the Revised and Restated Stipulation and Settlement Agreement (RRSSA) approved in Order No. PSC-13-0598-FOF-EI. For the Levy Nuclear Project (LNP), no costs should be recovered from customers.

FPL

FPL has not filed a long-term feasibility study in neither the 2016 nor the 2017 Nuclear Cost Recovery Clause proceeding. Based on the lack of a 2016 or 2017 long-term feasibility study which demonstrates that FPL's Turkey Point Units 6 & 7 project is feasible going forward, any new costs incurred on the project should not be allowed, and indeed are not legally eligible to be recovered through the Nuclear Cost Recovery Clause.

Specifically, the Nuclear or Integrated Gasification Combined Cycle Power Plant Cost Recovery Rule, 25-6.0423, requires FPL to file a feasibility study when seeking to recover rates from customers. The rule provision in question states in pertinent part:

Along with the filings required by this paragraph, each year a utility shall submit for Commission review and approval a detailed analysis of the long-term feasibility of completing the power plant. Such analysis shall include evidence that the utility intends to construct the nuclear or integrated gasification combined cycle power plant by showing that it has committed sufficient, meaningful, and available resources to enable the project to be completed and that its intent is realistic and practical.

See, 25-6.0423, F.A.C.

Preparing and filing a feasibility study is not an optional requirement. It is "required" by the express terms of Rule 25-6.0423, F.A.C to be filed "each year". The Commission's policy is sound, so that it may make a real time determination whether a project should move forward and, importantly, whether customers rates should be increased. If material facts have changed such that the project is no longer feasible, the Commission should know and act on that information sooner rather than later. Absolving the utility from filing current, updated information as legally

required deprives the Commission and the parties of the opportunity to understand how matters may have changed. The Commission's rule should be enforced and FPL not permitted to recover monies for a nuclear project for which no feasibility study has been filed.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

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

FIPUG: No.

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

FIPUG: None.

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

FIPUG: No. No recovery should be permitted given the lack of a current feasibility study.

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

FIPUG: No.

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

B) Is FPL’s decision to continue pursuing a combined operating license from the Nuclear Regulatory Commission for Turkey Point Units 6 & 7 reasonable pursuant to Section 366.93 F.S., and Rule 25-6.0423 F.A.C.? (OPC)

FIPUG: A: No

B: No

Issue 6: A) Should the Commission approve what FPL has submitted as its 2017 annual detailed analysis of the long term feasibility of completing the Turkey Point 6&7 project as provided for in Rule 25-6.0423, F.A.C.? (SACE)

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

FIPUG: A) No, as nothing was submitted.

B) Yes, an annual detailed analysis of the long term feasibility of completing the Turkey Point Unit 6 & 7 project was and is required to be submitted. FPL has not complied with this requirement.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Nothing.

Issue 9: What is the current total estimated all-inclusive cost (including AFUDC and sunk costs) of the proposed Turkey Point Units 6 & 7 nuclear project?

FIPUG: More than FPL previously stated.

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

FIPUG: Longer than FPL previously stated.

Issue 11: Should the Commission find that during 2016, DEF's accounting and cost oversight controls were reasonable and prudent for the Crystal River Unit 3 Uprate project?

FIPUG: Adopt position of OPC.

Issue 12: What jurisdictional amounts should the Commission approve as DEF's actual 2016 prudently incurred costs for the Crystal River Unit 3 Uprate project?

FIPUG: Adopt position of OPC.

Issue 13: What jurisdictional amounts should the Commission approve as reasonably estimated 2017 exit and wind down costs and carrying costs for the Crystal River Unit 3 Uprate Project?

FIPUG: Adopt position of OPC.

Issue 14: What jurisdictional amounts should the Commission approve as reasonably projected 2018 exit and wind down costs and carrying costs for the Crystal River Unit 3 Uprate Project?

FIPUG: Adopt position of OPC.

Issue 15: What is the total jurisdictional amount for the Crystal River Unit 3 Uprate Project to be included in establishing DEF's 2018 Capacity Cost Recovery Clause Factor?

FIPUG: Adopt position of OPC.

5. STIPULATED ISSUES:

None at this time.

6. PENDING MOTIONS:

None.

7. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

None.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

FIPUG objects to any expert witness not designated as an expert and expressly offered as an expert witness, with areas of expertise identified.

9. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which FIPUG cannot comply.

Dated this 20th day of July, 2017

Respectfully submitted,

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CERTIFICATE OF SERVICE

Docket No. 170009-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished

by electronic mail on this 20th day of July, 2017, to the following:

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