



1 APPEARANCES:

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5 Tallahassee, Florida 32301-7740; and DANIEL HERNANDEZ  
6 and MELANIE SENOSIAIN, ESQUIRES, Shutts Law Firm, 4301  
7 West Boy Scout Boulevard, Suite 300, Tampa, Florida  
8 33607, appearing behalf of Duke Energy Florida, LLC  
9 (DEF).

10 J.R. KELLY, Public Counsel, and CHARLES  
11 REHWINKEL, ESQUIRES, Office of Public Counsel, c/o The  
12 Florida Legislature, 111 West Madison Street, Room 812,  
13 Tallahassee, Florida 32399-1400, appearing on behalf of  
14 the Citizens of the State of Florida (OPC).

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16 ESQUIRES, Moyle Law Firm, P.A., The Perkins House, 118  
17 North Gadsden Street, Tallahassee, Florida 32301,  
18 appearing on behalf of Florida Industrial Power Users  
19 Group (FIPUG).

20 JAMES W. BREW and LAURA A. WYNN, ESQUIRES,  
21 Stone Mattheis Xenopoulos & Brew, PC, 1025 Thomas  
22 Jefferson Street, NW, Eighth Floor, West Tower,  
23 Washington, DC 20007, appearing on behalf of White  
24 Springs Agricultural Chemicals, Inc., d/b/a PCS  
25 Phosphate - White Springs (PCS Phosphate).

1 APPEARANCES (CONTINUED):

2 SUZANNE BROWNLESS and BIANCA LHERISSON,  
3 ESQUIRES, FPSC General Counsel's Office, 2540 Shumard  
4 Oak Boulevard, Tallahassee, Florida 32399-0850,  
5 appearing on behalf of the Florida Public Service  
6 Commission (Staff).

7 KEITH HETRICK, GENERAL COUNSEL; MARY ANNE  
8 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service  
9 Commission, 2540 Shumard Oak Boulevard, Tallahassee,  
10 Florida 32399-0850, advisor to the Florida Public  
11 Service Commission.

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

2 CHAIRMAN CLARK: Okay. We are going to go  
3 ahead and proceed and call this hearing to order.  
4 I would ask staff to please read the notice.

5 MS. BROWNLESS: Yes, sir.

6 By notice, this time and place has been set  
7 for a hearing Docket No. 20190140-EI. The purpose  
8 of the hearing is to set out -- is set out more  
9 fully in the notice.

10 CHAIRMAN CLARK: All right. Let's take  
11 appearances now. We will begin with Duke Energy.

12 MS. TRIPLETT: Good afternoon, Mr. Chair.  
13 Dianne Triplett appearing on behalf of Duke Energy  
14 Florida. I would also like to make an appearance  
15 for Matt Bernier, Daniel Hernandez and Melanie  
16 Senosiain.

17 Thank you.

18 CHAIRMAN CLARK: Thank you, Ms. Triplett.

19 OPC.

20 MR. REHWINKEL: Good afternoon, Commissioners.  
21 My name is Charles Rehwinkel, Deputy Public  
22 Counsel, and appearing on behalf of Duke's  
23 customers. I would also like to make an appearance  
24 for J.R. Kelly.

25 Thank you.

1 CHAIRMAN CLARK: Thank you, Mr. Rehwinkel.  
2 FIPUG, Mr. Moyle.

3 MR. MOYLE: Thank you, Mr. Chairman. Jon  
4 Moyle appearing on behalf of the Florida Industrial  
5 Power Users Group, FIPUG, and Karen Putnal with our  
6 firm should also be shown as entering an  
7 appearance.

8 CHAIRMAN CLARK: Thank you, Mr. Moyle.  
9 PCS Phosphate, Mr. Brew.

10 MR. BREW: Thank you, Mr. Chairman. For White  
11 Springs Agricultural Chemicals, PCS Phosphate, I am  
12 James Brew, and I would like to note an appearance  
13 for Laura Baker.

14 CHAIRMAN CLARK: Thank you, sir.  
15 Commission staff.

16 MS. BROWNLESS: I am Suzanne Brownless on  
17 behalf of Commission staff. And also appearing  
18 with me is Bianca Lherisson.

19 CHAIRMAN CLARK: Okay. Advisor.

20 MS. HELTON: Mary Anne Helton, Mr. Chairman,  
21 here as your advisor, along with your General  
22 Counsel, Keith Hetrick.

23 CHAIRMAN CLARK: All right. Did that take  
24 care of everyone who needs an appearance?

25 All right. Let's move into preliminary

1 matters, Ms. Brownless.

2 MS. BROWNLESS: Thank you.

3 State buildings are currently closed to the  
4 public, and other restrictions in gatherings remain  
5 in place due to COVID-19. Accordingly, this  
6 hearing is being conducted remotely with the  
7 parties participating by communications media  
8 technology. Members of the public who wish -- who  
9 want to observe or listen to this hearing may do so  
10 by accessing the live video broadcast which is  
11 available from the Commission website. Upon  
12 completion of the hearing, the archived video will  
13 also be available.

14 Each participating today needs to keep their  
15 phone or device muted when they are not speaking,  
16 and only unmute when they are called upon to speak.  
17 If they do not keep their phone muted, or put their  
18 phone on hold, they may be disconnected from the  
19 proceeding and will need to call back in.

20 Also, telephonic participants should speak  
21 directly into their phone or headset and not use  
22 the speaker function. Should a participant be  
23 dropped from a hearing, the participant should  
24 immediately text Deputy General Counsel or the  
25 General Counsel at the telephone numbers previously



1 provided so that the hearing may be paused until  
2 the participant is reconnected.

3 The next issue is on July 1st, 2020, OPC filed  
4 a motion for official recognition for filings made  
5 by DEF on the Commission's website in Docket No.  
6 20150171-EI, which reflect the monies paid by  
7 customers to pay bondholders for the stranded asset  
8 cost of CR3. Duke filed its response in opposition  
9 on July 2nd, 2020. FIPUG and PCS Phosphate do not  
10 oppose this motion.

11 CHAIRMAN CLARK: All right. At this time, I  
12 will hear from the parties related to the motion.  
13 We will begin with OPC. Mr. Rehwinkel.

14 MR. REHWINKEL: Thank you, Mr. Chairman.

15 The Public Counsel asks you to take official  
16 recognition of documents that meet the criteria  
17 that have been established by the Commission  
18 precedent. We have asked you to take filings made  
19 by Duke that show the amount collected from  
20 customers for the last four years in the amount of  
21 \$331 million that are to pay for the stranded asset  
22 of \$1.348 billion caused by the loss of the Crystal  
23 River nuclear plant. This is a 20-year bond, and  
24 it represents one-fourth, approximately, of the  
25 collections that customers will pay.

1           We are asking you to take notice because this  
2           filing attaches documents in accordance with the  
3           OEP that cannot be questioned. Their accuracy is  
4           beyond question. There are certified collections  
5           certified by Duke, and they are filed on the  
6           Commission's website.

7           The precedent that we cite is contained in an  
8           almost identical order that was -- motion that was  
9           filed by staff counsel, Ms. Brownless, in 2018, and  
10          the motion was granted by now Commission Chairman  
11          Clark in another docket, but otherwise this motion  
12          is, on all four, consistent with the Commission's  
13          precedent.

14          The evidence code 90.202 has been bandied  
15          about with respect to this motion. As we all know,  
16          the evidence code does not strictly apply to  
17          Commission proceedings pursuant to a, I think it's  
18          a 2016 case, FIPUG versus, I think it's Brown, but  
19          for the Commission -- for the evidence code to  
20          apply to this matter, the evidence code 202,  
21          Section 202 -- I apologize, I should have that  
22          memorized -- does provide for if -- it supports the  
23          filing of this motion because it is information  
24          that is accurate and its accuracy cannot be  
25          questioned.

1           We ask you to take -- we don't think relevance  
2 comes into play here, but if relevance is a concern  
3 of the Commission, we are asking the Commission to  
4 take certain protections in this case that will  
5 safeguard customers for the \$660 million trust fund  
6 that is at issue in this case. We are asking  
7 protections be put in place for those customers,  
8 and we are citing the \$331 million of collections  
9 today that will grow to over a billion-and-a-half  
10 over the 20-year period as further support for why  
11 the Commission needs to protect customers because  
12 of this transaction.

13           So, Mr. Chairman, many those are our remarks.  
14 And we -- we think this is a non-controversial  
15 motion. We do not want to have to take a notice of  
16 appeal on a denial of this motion in this case. We  
17 don't think that the transaction and the parties  
18 deserve that, but we feel strongly that this is  
19 something the Commission must take notice of, and  
20 should take notice of.

21           Thank you.

22           CHAIRMAN CLARK: Thank you, Mr. Rehwinkel.

23           Ms. Triplett -- Ms. Triplett. You are  
24 recognized.

25           MS. TRIPLETT: Thank you, Mr. Chairman.

1           I respectfully disagree that it's a  
2 non-controversial motion, and I am just going to  
3 focus my -- I -- I filed a response, and I am not  
4 going to rehash all of it. I think I am just going  
5 to focus on the most important concern, which is  
6 the complete irrelevance of amounts that the  
7 company has collected pursuant to orders in other  
8 dockets and pursuant to settlements that some of  
9 the -- many of the parties involved in this case,  
10 including OPC, signed onto.

11           The only reason why OPC could be asking this  
12 commission to take official notice of those amounts  
13 is that somehow they believe that a different  
14 standard of review should be applied to the request  
15 that's pending before you today, which, by the way,  
16 is, to remind everyone, it's for approval of a  
17 transaction regarding decommissioning that will  
18 occur in the future. So the amount of money that  
19 the customers that have paid has nothing to do with  
20 the action that is before the Commission today.

21           This is simply a red herring and a request for  
22 this commission to apply presumably some higher  
23 standard than you would otherwise apply to -- to a  
24 transaction that is not appropriate. The  
25 transaction here is about the prudence of the

1 nuclear decommissioning contract that we have  
2 presented for approval, and the amounts that  
3 customers have paid pursuant to other dockets has  
4 no bearing. And I disagree that the Commission  
5 must take official recognition of something simply  
6 because a party has asked for it if there is no  
7 relevance to the issues at hand. So I would ask  
8 that you respectfully decline the OPC's request.

9 Thank you.

10 CHAIRMAN CLARK: Thank you.

11 Staff's opinion, Ms. Brownless.

12 MS. BROWNLESS: Yes, sir.

13 I believe that Mr. Rehwinkel is asking for  
14 judicial notice under Section 90.202(12), which  
15 says: Facts that are not subject to dispute  
16 because they are capable of accurate and ready  
17 determination by resort to sources whose  
18 accurately -- whose accuracy cannot be questioned.

19 And frankly, when I looked in Erhardt on  
20 evidence, the types of documents that are usually  
21 relied upon, and for the types of facts that are  
22 usually included in this 90.202(12) are things like  
23 sunsets on a particular day; high tides; records of  
24 the National Weather Service, stuff like that. It  
25 is not filings made in a docket, so that's number

1           one.

2                   But let's assume for the purposes of argument  
3           that they do fit within the exception that -- or  
4           the paragraph that Mr. Rehwinkel says. I agree  
5           with Ms. Triplett, that the Commission has always  
6           applied a two-part test. Number one is, is there a  
7           paragraph under 90.202 that your documents fall in?  
8           But the second is whether it is relevant or not.

9                   And the reason -- and that is, by the way,  
10          cited in the order that Mr. Rehwinkel mentioned,  
11          which is Order No. 568, issued on January 9th,  
12          1989, that it's a two-part test.

13                   So I think that I agree with Ms. Triplett,  
14          that the bond securitization funds collected really  
15          have absolutely nothing to do with what's at issue  
16          here, which is whether this particular  
17          decommissioning project should go forward, and  
18          whether this particular transaction should be  
19          approved. And on the grounds of relevance, I would  
20          say that Mr. Rehwinkel's motion should be denied.

21                   CHAIRMAN CLARK: Thank you, Ms. Brownless.

22                   Ms. Helton, any comment from --

23                   MS. HELTON: I agree with Ms. Brownless that I  
24          don't think that the information for which Mr.  
25          Rehwinkel seeks official recognition falls under

1           90.202 subsection (12). When this motion came in  
2           and I -- I looked at 90.201, which lays out those  
3           matters which the Commission must take official  
4           recognition to be consistent with the evidence  
5           code, and then in 90.202, those matters which the  
6           Commission may take official recognition of, I  
7           can't make his request fit squarely under any one  
8           of those things.

9           Ms. Brownless could speak better to relevance  
10          than me, but I would point out that under Chapter  
11          120, the Legislature has directed that irrelevant  
12          material is not appropriate for -- to be included  
13          into a record before you.

14          CHAIRMAN CLARK: All right. Thank you.

15          This is kind of a complicated issue, and one  
16          advantage you have not being an attorney, the bar  
17          is much lower than for me than it is probably some  
18          of the rest of you.

19          I -- I do see where you could draw a relevance  
20          conclusion. I think the Commission is smart enough  
21          to give this the weight that it deserves as the  
22          information is shared and the exhibits are gone  
23          through, so I am going to go ahead and allow the  
24          item at this time.

25          Next item, Ms. Brownless.

1 MS. BROWNLESS: Yes, sir.

2 And, Mr. Rehwinkel, I don't know if you want  
3 to take this up now as a preliminary matter, or  
4 whether you wish to do it when Mr. Polich gets on  
5 the stand, but we have been given information from  
6 Mr. Rehwinkel that OPC wishes to delete portions of  
7 Mr. Polich's testimony. And, Mr. Rehwinkel, you  
8 want to talk about that now or later?

9 CHAIRMAN CLARK: Mr. Rehwinkel, you are  
10 recognized.

11 MR. REHWINKEL: Thank you, Mr. Chairman.

12 I am happy to deal with this at the time that  
13 is most appropriate for the Commission. I -- I do  
14 agree that it probably should be discussed now just  
15 to put folks on notice.

16 We did make this -- we did make notice that we  
17 were going to make -- or withdraw portions of Mr.  
18 Polich's testimony late in the day yesterday, and  
19 so we did it so that we gave as much notice to  
20 people as we could so they could take whatever  
21 measures they thought were appropriate.

22 Mr. Polich is prepared to go through at the  
23 appropriate time as he takes the stand and explain  
24 what he is doing. It's really up to you, Mr.  
25 Chairman. I can -- I can briefly go through and



1 explain what we are doing, or we can do it when we  
2 get to -- when we get to the stand.

3 CHAIRMAN CLARK: I think I would rather get  
4 this disposed of up front. So if you don't mind,  
5 let's go through and talk about the issues and see  
6 where we fall out on this.

7 MR. REHWINKEL: Okay. Mr. Chairman, we, in  
8 this case, have, through Mr. Polich's testimony and  
9 our basic positions, we have asked the Commission  
10 to consider five, we call them enhancements, to the  
11 deal that's before you.

12 Mr. Polich has decided that after reviewing  
13 the rebuttal testimony of Mr. Adix and a late filed  
14 exhibit Mr. Adix filed, and Mr. Adix's deposition,  
15 and a deposition exhibit that was a 340-page  
16 deposition exhibit that we got through the notice  
17 of duces tecum, that he agrees with Mr. Adix's  
18 points that he makes in his rebuttal with respect  
19 to Items 2 and 3 of his -- of our proposal.

20 Number two is the setting aside of  
21 \$105 million of cash on the balance sheet of  
22 NorthStar. And No. 3 is the increasing of what I  
23 will call retainage that fund a trust in this -- in  
24 this case from six percent to 10 percent. Mr.  
25 Polich agrees that what Mr. Adix has presented does

1 take care of the issue that he raised with respect  
2 to those points.

3 So rather than get into the hearing and -- and  
4 people be surprised by it on the stand, we have  
5 provided to the parties and staff the errata that  
6 would take those pieces of his testimony and  
7 withdraw them, in effect.

8 We are not asking that the company modify its  
9 rebuttal testimony to Mr. Polich. We think that  
10 that would be unfair to the case they put on. We  
11 just are really effectively giving notice that  
12 these provisions that relate to those two items are  
13 not at issue with us, and we agree with the  
14 company, and we withdraw them as conditions we are  
15 asking to put into this transaction.

16 I -- I -- I can go through and read each item,  
17 or he can do it when we get to the stand, but that  
18 is the essence of what we are asking to do.

19 CHAIRMAN CLARK: Okay. I -- I think we -- I  
20 think we are on the same page there. I read your  
21 motion.

22 Ms. Triplett, are you comfortable with this?

23 MS. TRIPLETT: Mr. Chair, I mean, obviously  
24 this is a little unusual on the eve of trial to  
25 receive something like this; but given that I don't

1 want to delay the hearing and I want to get going,  
2 I -- I think what I would propose -- I am sorry, I  
3 am getting a little bit of feedback. Is anyone  
4 else --

5 CHAIRMAN CLARK: You sound fine on this end.

6 MS. TRIPLETT: Okay. I will keep going.

7 So I have taken steps to remove my argument in  
8 my opening statement with respect to these two  
9 conditions, and I have also asked in the rebuttal  
10 summary for the witnesses to remove reference to  
11 those items. But I did just want to add I am doing  
12 that to try and expedite the hearing, but I would  
13 like to recognize that I have got other parties in  
14 this proceeding, and even though there aren't --  
15 there is no longer direct testimony from Mr. Polich  
16 issues, I don't know that those parties would  
17 intend to raise these conditions and continue to  
18 advocate for them. So I would just ask that the  
19 Commission understand that I am not going to  
20 reference them and highlight them in my opening,  
21 but please understand that if someone asks me --  
22 asks a question that -- that I -- I am doing that  
23 on reliance of withdrawal of the testimony, I guess  
24 is my point, and so I would just -- I just wanted  
25 to note that, but otherwise, that's fine.

1           Thanks.

2           CHAIRMAN CLARK: All right. So when we get to  
3 Mr. Adix's portion of that testimony, he can pull  
4 that out for us and that way we will know what  
5 needs to be discussed or cannot be discussed; is  
6 that a fair statement, Mr. Rehwinkel?

7           MR. REHWINKEL: Well, yes, if that's okay  
8 with -- with Ms. Triplett.

9           I mean, I -- this is not a stunt. We have  
10 been working night and day to get to this point in  
11 the case. I was -- it was not done to gain  
12 strategic advantage, and I do not want Ms. Triplett  
13 to be disadvantaged by the timing of this filing.  
14 So whatever needs to happen to make it fair for --  
15 for her in this regard, I support.

16           Mr. Polich will be up before Mr. Adix, so I  
17 think -- I think that there is time to make that  
18 flow, but if it can't be done, I am not going to  
19 object, and I can't lodge an objection to -- to any  
20 incongruity that results from that. I just think  
21 that fairness dictates that --

22           CHAIRMAN CLARK: Okay.

23           MR. REHWINKEL: -- if that takes makes sense.

24           CHAIRMAN CLARK: That sounds very fair to me.

25           Ms. Triplett, you are okay with that?

1 MS. TRIPLETT: Yes, sir. Thank you.

2 CHAIRMAN CLARK: Okay. All right. I think  
3 that concludes -- Ms. Helton, do we need to do  
4 anything in regards to the testimony prior to  
5 getting to that point?

6 MS. HELTON: No, sir. I don't think so. I  
7 think we're -- everyone understands where everyone  
8 is coming from.

9 CHAIRMAN CLARK: Okay. All right. Sounds  
10 great.

11 Let's move on to the next item. Ms.  
12 Brownless, exhibits.

13 MS. BROWNLESS: Yes, sir.

14 Staff has prepared a comprehensive exhibit  
15 list which includes all exhibits attached to the  
16 witnesses' prefiled testimony as well as staff's  
17 exhibits. The list itself is marked as Exhibit No.  
18 1 and has been provided to the parties,  
19 Commissioners and the court reporter.

20 At this time, staff would request that Exhibit  
21 No. 1 be entered into the record, and all other  
22 exhibits be marked as identified therein.

23 CHAIRMAN CLARK: Okay. So ordered.

24 (Whereupon, Exhibit No. 1 was marked for  
25 identification and received into evidence.)

1           (Whereupon, Exhibit Nos. 2-33 were marked for  
2     identification.)

3           MS. BROWNLESS: At this time, does any party  
4     have any objection to moving Staff Exhibit Nos. 20  
5     through 33 into the record?

6           CHAIRMAN CLARK: Are there any objections to  
7     staff exhibits?

8           All right. Seeing none, those will be moved  
9     into the record as No. 20 through 33.

10          (Whereupon, Exhibit Nos. 20-33 were received  
11     into evidence.)

12          CHAIRMAN CLARK: Just a note for you all as  
13     well, Ms. Helton is going to be helping me keep up  
14     with exhibits as you guys introduce them, so I will  
15     be turning to her rather frequently for assignment  
16     of numbers. It's very difficult in this  
17     environment to keep up with them electronically, so  
18     she's going to be tasked with that responsibility  
19     for us then. Thank you for agreeing to do that.

20          All right. Let's move on to opening  
21     statements.

22          Duke Energy is going to be allotted 10 minutes  
23     for opening statements. OPC, FIPUG and PSC  
24     Phosphate are allocated 15 minutes to be divided  
25     among them. We are going to start with Duke

1 Energy, followed by OPC. And OPC, you can advise  
2 us what order your parties are going to be speaking  
3 in as well.

4 All right. Ms. Triplett, you are recognized.

5 MS. TRIPLETT: Thank you, Mr. Chair.

6 Mr. Chair and Commissioners, in this  
7 proceeding, DEF is requesting approval on an  
8 important transaction that will accelerate  
9 decommissioning of the CR3 nuclear plant at a fixed  
10 cost with nearly all risk shifted to the  
11 counter-party. Even OPC's witness in this  
12 proceeding acknowledges that the acceleration of  
13 decommissioning is commendable.

14 When CR3 was first retired, DEF placed the  
15 unit in safe store, or safe storage, to allow the  
16 trust fund to grow and contain enough sufficient  
17 earnings to cover the decommissioning costs. So if  
18 this deal isn't approved, that plan will continue,  
19 and the plant not be decommissioned until 2073.

20 So DEF, through its own accord, began testing  
21 the market for the potential for a better option  
22 for its customers. It issued an RFP in 2017, and  
23 negotiated extensively with the counter-party ADP.  
24 The result is a fixed price contract for 100 -- for  
25 \$540 million, in which all risks except one are

1 completely shifted to ADP. Labor cost increase,  
2 ADP bears that risk. A particular scope of work  
3 costs more than ADP estimated, ADP bears that risk.  
4 The only risk that DEF now bears is if there is a  
5 change to end state condition. And by the way, DEF  
6 is currently living with that risk. The longer we  
7 wait to decommission the more likely that those end  
8 state conditions could change and result in cost  
9 increases. In fact, the longer we wait, the more  
10 likely any of the decommissioning costs increase.  
11 We have the opportunity to lock in a price,  
12 eliminate much of that risk and get this plant  
13 decommissioned.

14 The NRC reviewed the license transfer as well  
15 as the financial assurances provided by ADP, and  
16 issued its approval earlier this year. All that  
17 remains to close the transaction is this  
18 commission's approval. Unfortunately, now the  
19 intervenors want to renegotiate the deal.

20 You will hear OPC's witness refer to things he  
21 calling enhancements. Let's call those what they  
22 really are. They are additional terms to a deal  
23 that DEF and ADP spent months negotiating.

24 Most of Mr. -- Mr. Polich's concerns regarding  
25 the transaction revolves around his inaccurate



1 financial assessment of one of the parent companies  
2 of ADP, NorthStar. Regarding the substance of  
3 these inaccurate statements, please review the  
4 rebuttal testimony from NorthStar's Chief Financial  
5 Officer Jeff Adix, who, unlike Mr. Polich, is a CPA  
6 with years of experience auditing and preparing  
7 financial statements.

8 In fact, as you consider all the testimony in  
9 this proceeding, I would ask you in particular to  
10 consider the relative expertise of the witnesses.  
11 Consider the operational experience that DEF and  
12 ADP's witnesses offer and contrast that to the  
13 expertise of OPC's consultant.

14 Back to Mr. Polich's recommended changes. Mr.  
15 Polich focuses on only one supplemental protection,  
16 the parental support that NorthStar provides if ADP  
17 cannot perform the work. There are multiple  
18 protections already included in the agreement, with  
19 the most important being that ADP is only being  
20 paid for actual decommissioning milestones  
21 achieved. Let me focus a moment on that  
22 protection.

23 DEF holds the purse strings. DEF will  
24 continue to own and control the trust fund. If an  
25 unforeseen event occurs that causes ADP to stop

1 work, DEF would have only paid for work that it  
2 verified was complete. The customers will receive  
3 the value of that work, and that scope of work  
4 won't be necessary in the future.

5 There are a multitudes of other protections,  
6 including a letter of credit, provisional trusts,  
7 parents guarantees, payment and performance bonds,  
8 insurance policies, rights upon default, and  
9 appointment of DEF as an independent manager. ADP  
10 will also purchase the spent nuclear fuel, and will  
11 assume all responsibility for spent fuel  
12 management, which includes paying all costs and  
13 pursuing reimbursements from DOE.

14 Mr. Hobbs summarizes these protections both in  
15 his direct and rebuttal testimony. So if OPC's  
16 recommended changes are imposed, DEF and ADP cannot  
17 close this transaction. The parties may be able to  
18 renegotiate a new deal, but it will be a new deal,  
19 and there could be changes to the favorable terms  
20 we have negotiated for customers.

21 Another alternative is that DEF reverts to  
22 safe store and decommissions well into the future.

23 We believe that the Commission should approve  
24 this carefully negotiated transaction with no  
25 unnecessary changes so that we can preserve the

1 value of accelerating decommissioning.

2 So let's briefly talk about each change  
3 requested by OPC's witness and intervenors.

4 The first one, amend the parental support  
5 agreement to include the State of Florida. Mr.  
6 Polich took this idea from Vermont, where NorthStar  
7 is decommissioning a nuclear plant. The main  
8 difference between the Vermont transaction and this  
9 one is -- is that there is a utility here, Duke  
10 Energy Florida, standing between the trust fund and  
11 the contractor.

12 This commission has oversight over DEF, and if  
13 DEF does not prudently administer the contract, it  
14 will have to answer to this commission already. So  
15 this change is unnecessary.

16 The second and third changes involve monthly  
17 instead of quarterly reports, and the imposition of  
18 an independent monitor. These changes are also  
19 unnecessary. The contract already contains more  
20 than adequate reporting requirements, most  
21 importantly being the support monthly invoices.

22 The Commission does not need an independent  
23 monitor either. It retains its audit rights and  
24 oversight over DEF. DEF will provide routine  
25 reports to the Commission. And if for any reason

1 the Commission has questions, it can initiate more  
2 detailed reviews at that time.

3 You may also hear the intervenors argue that  
4 this deal shouldn't be approved unless DEF is  
5 willing to guarantee that customers will never have  
6 to pay for decommissioning. I admit we cannot make  
7 such a guarantee, but what I can guarantee is that  
8 we have negotiated a transaction that protects  
9 customers from all foreseeable risks.

10 DEF owns and controls the funds, and only pays  
11 for completed work. You will not hear any  
12 reasonable scenarios in which the funds would  
13 disappear because there aren't any.

14 I would also note that because DEF bought back  
15 about nine-and-a-half percent of CR3 from the  
16 previous co-owners, Duke Energy's shareholders also  
17 bear the risk and potential reward related to this  
18 transaction, just like our customers. And here we  
19 are essentially putting our money where our mouth  
20 is, because this deal makes sense both for our  
21 customers and our shareholders.

22 The relevant standard for this commission is  
23 not whether the transaction guarantees savings or  
24 achieves perfection. As this commission will  
25 understand, the standard is whether the transaction

1 is prudent given all the facts and information we  
2 know today. And the evidence will show that the  
3 transaction without the recommended changes is  
4 prudent.

5 Finally, you will hear that because DEF  
6 estimates that there should be left over money in  
7 the trust fund that can be returned to customers  
8 after the spent fuel has been removed from the site  
9 that the Commission should go ahead and order DEF  
10 to refund some of it now.

11 The bottom line if what argument is that we  
12 can't do that without violating NRC regulations and  
13 jeopardizing the qualified status of the fund,  
14 which would have significant negative tax  
15 consequences.

16 So on the one hand, the intervenors believe  
17 this deal is so bad that it requires the imposition  
18 of multiple conditions, yet on the other hand, they  
19 argue that DEF should go ahead and refund  
20 anticipated excess funds now.

21 If there are any unforeseen issues with the  
22 cost of decommissioning CR3, those potential excess  
23 funds would be available to DEF to cover the  
24 decommissioning costs, unless, of course, we  
25 already refunded them.

1           So in closing, we would ask you to approve  
2           this transaction as is with no modifications, and  
3           allow this transaction to close for the benefit of  
4           our customers.

5           Thank you.

6           CHAIRMAN CLARK: Thank you, Ms. Triplett.

7           Mr. Rehwinkel.

8           MR. REHWINKEL: Thank you, Mr. Chairman, I am  
9           going to go first. Mr. Brew will go second, and  
10          Mr. Moyle will follow Mr. Brew, if that's  
11          acceptable.

12          CHAIRMAN CLARK: Thank you.

13          MR. REHWINKEL: And I am going to go try to  
14          keep my remarks under seven minutes, so where we  
15          go.

16          Good afternoon, Commissioners. My name is  
17          Charles Rehwinkel, and with J.R. Kelly, the Public  
18          Counsel, we are here on behalf of Duke's customers.

19          DEF and their project team have done a good  
20          job of developing a potentially workable plan.  
21          There, I said it. However, DEF has not developed  
22          something that comes close to being a perfect plan.  
23          The OPC is not adamantly opposed to DEF taking  
24          measures to mitigate risks by removing a long lived  
25          hazard. We are against doing that without adequate

1           safeguards.

2           You, Commissioners, find yourselves in the  
3           unenviable position of making a decision that will  
4           tie your hands for years to come. You will see  
5           your jurisdiction over this fund that you created,  
6           funded with customer money for customer benefit,  
7           and for which you have been the responsible steward  
8           for decades, now a group of Wall Street investors  
9           have their eyes on your \$660 million fund, as well  
10          as on tens of billions of dollars in funds just  
11          like it around the country. They are backing a  
12          group with very little experience, which has been  
13          through recent financial struggles. They are  
14          approaching commissions like this one and asking  
15          you to let them crack these heretofore enviable  
16          trusts so they can wreak huge profits.

17          We believe your job is to request credentials  
18          and real security before unlocking the vault.  
19          These plans to tap into the fund like the  
20          decommissioning fund before you come with  
21          guaranteed prefunded contracts for them and little  
22          beyond superficial guarantees for customers.

23          Our expert says that this Duke plant does not  
24          adequately protect the customers who paid dearly  
25          from 1997 to 2002 to provide these trust funds.

1           These are the same customers who also paid a  
2           different fee annually to fund the national waste  
3           disposal site that was never built.

4           They also then paid, and still pay, upfront  
5           costs to build a dry cast storage facility and  
6           unreimbursed carrying costs. They are the ones  
7           who, to date, have paid \$331 million to write off  
8           the \$1.3 billion stranded CR3 assets plus the cost  
9           to replace the 1,000 megawatts lost in the CRC  
10          construction accident. They are currently paying  
11          to provide for decommissioning that replacement  
12          power in the future.

13          Commissioners, they are weary of paying for  
14          the CR3 plant that hasn't generated power since  
15          September 26th, 2009. It is these customers on  
16          whose behalf we are appearing today. They should  
17          not be forced to bear the risk of paying yet again  
18          to replenish this fund if the job doesn't get done  
19          on time and on budget.

20          We express this concern because Duke has not  
21          exactly been good at evaluating risk on big nuclear  
22          projects in Florida. That is an unassailable fact.  
23          Their risk analysis and misjudgments have cost  
24          current customers over \$1 billion in the past 10  
25          years. We don't need yet another risk



1           miscalculation added to that pile.

2           We have presented testimony of Richard Polich,  
3           who is a mechanical engineer and a nuclear engineer  
4           equipped with an MBA with decades of experience  
5           working on behalf of a large investor-owned  
6           utility, who has implemented large competitive  
7           projects, and who, as an expert, has advised  
8           utilities and consumers alike. He originally  
9           presented five belt-and-suspender proposals that we  
10          believe should accompany your approval.

11          In the hearing, you will hear that based on  
12          new evidence that the company presented in rebuttal  
13          and discovery, he is going to carry forward three  
14          of those proposals as a means of allowing the  
15          project to continue with no additional transaction  
16          costs to the deal.

17          We ask you to order very modest changes that  
18          can provide you and the public some visibility into  
19          the ongoing process, and to serve as an early  
20          warning if trouble is looming.

21          We also ask that you take a simple, cost-free  
22          step of piggybacking onto the NRC's requirement  
23          that the parent company provide effective support  
24          to completing the job that the contractors start.

25          There is no certainty in this project. We

1           acknowledge there is no certainty in the safe store  
2           method. We are not asking that you outright deny  
3           this petition. We are asking that you adopt some  
4           reasonable low cost safeguards that do not upset  
5           the balance that the parties reasonably sought to  
6           create in this deal.

7           Commissioners, listen to the evidence about  
8           experience and financial condition. Look at the  
9           evidence that is confidential. We believe you owe  
10          it to these long-suffering customers to evaluate  
11          the parties and their track record. Listen.

12          You will hear Duke tell you that it cannot  
13          guarantee anything. If you listen closer, you will  
14          hear them use words that sound like they are  
15          conveying certainty, when, in reality, they are  
16          conveying nothing of the sort. You will hear words  
17          like assurance, ensure, foresee, committed,  
18          confirms, fixed price, locked in, or my favorite, a  
19          degree of certainty. What does that even mean?

20          These are hollow words, like an egg that on  
21          one side looks good, looks complete, but on the  
22          other side, there is a little hole in it through  
23          which all the contents left. I think there is a  
24          term for that somewhere.

25          Decide for yourself, we ask you to take some

1 of the hollowness out of the deal. Put some  
2 backbone in it for the benefit of the customers.  
3 Decide for the customers. Don't let Duke or the  
4 trust fund raiders rush your decision. This is not  
5 a take-it-or-leave-it proposal. You can take it,  
6 but you can also put your own stamp on it, that's  
7 one that helps customers.

8 We suggest that this cannot be a good deal if  
9 only a single straw breaks its back. That is  
10 certainly no way to embark on an \$800 million plus  
11 fixed price deal that will need to last seven to 17  
12 years, or more, to be successful. You can make  
13 reasonable and modest changes to the deal. You  
14 should make these changes.

15 Thank you, Commissioners.

16 MR. BREW: Commissioners, I guess I am up  
17 next. This is Jay Brew. Can you hear me all  
18 right?

19 CHAIRMAN CLARK: Yes, sir. We can hear you.

20 MR. BREW: Okay. Fine.

21 To be clear at the outset, PCS sees potential  
22 benefit to accelerating the decommissioning of CR3  
23 under a fixed fee contract. So what is there not  
24 to like about the proposed transaction? The  
25 problem is that the transaction trades regulatory

1           that's associated with the decommissioning  
2           challenges for contractual risks, and it's crucial  
3           to fully understand the real limitations of the  
4           contractual terms.

5           Duke saw that the proposed transaction  
6           presented some very significant financial risks,  
7           which it attempted to resolve through a series of  
8           provisions that Ms. Triplett has already talked  
9           about. Our concern is whether those issues are --  
10          whether those coverages are sufficient, because  
11          once this transaction closes, the ability of Duke  
12          or the Commission to adopt protected measures for  
13          customer from any lessons learned is almost  
14          nonexistent. The one and only time to adopt  
15          necessary and appropriate consumer safeguards is  
16          now.

17          Also, in negotiating this agreement, Duke and  
18          ADP knew full well that they would need to come to  
19          this commission for its approval, and that  
20          Commission conditions might be appropriate.

21          So the bottom line is, notwithstanding the  
22          guarantees and assurances, ultimately Duke and its  
23          ratepayers remain on the hook for decommissioning  
24          CR3 in the event that things go materially wrong.  
25          Duke's testimony plays down those risks, but does

1 not hide the possibility it will look to the  
2 Commission and its customers for more money if the  
3 transaction does not pan out. In fact, it is the  
4 dismissal of the likelihood that Duke might  
5 petition for additional rate relief that follows  
6 immediately upon the unambiguous statements that  
7 Duke will in fact seek such relief if it needs to.

8 So you cannot discount the possibility in the  
9 face of Duke assurances that we have heard many  
10 times before. We only need to go back to the  
11 original cost estimates for Levy for that.

12 Now, the notion that some day there could be a  
13 refund of excess dollars from the decommissioning  
14 trust fund, the Commission needs to immediately  
15 recognize that the date assumed by Duke for the all  
16 clear when high level waste will be off-site in  
17 2038 is pure conjecture supported by absolutely  
18 nothing in this report. After nearly 40 years of  
19 national debate, there is still nothing resembling  
20 a national high level waste repository, which means  
21 that, as far as we know, the cost to maintain the  
22 fuel will stay on-site indefinitely.

23 Mr. Rehwinkel mentioned this, but I want to  
24 row enforce it. Essentially, upon closing, roughly  
25 80 percent of the dollars in the nuclear

1 decommissioning trust fund will be transferred to a  
2 subaccount to be used solely for ADP's benefit.  
3 And if you look at the schedule, ADP will burn  
4 through the bulk of that money in about five years,  
5 with the remaining chunk of the project going to  
6 waste transportation and disposal. So that brings  
7 us to a couple of basic conclusions.

8 We do not want Duke coming back to this  
9 commission asking for more money. We do not want  
10 Duke coming back to the Commission to say that what  
11 was once CR3 structures is now a pile of rubble  
12 needs to go back to safe store to reduce cost. We  
13 want to know early on if there are cost, schedule  
14 or performance problems, and that's pretty much it.

15 The Public Counsel's testimony focused on  
16 those issues, and we think quite reasonably so, and  
17 PCS strongly recommends this Commission adopt them.

18 One final note is what we heard in rebuttal  
19 and already today is that Duke and ADP are opposed  
20 effectively to any change by the Commission,  
21 whether they are reasonable or not. To me, the  
22 parties always knew that if the record supports  
23 adoption of any of added conditions to safeguard  
24 the public interests, whether they be some or all  
25 of Mr. Polich's recommendations, or terms the

1 Commission arrives at on its own, then that is what  
2 the order should require.

3 Thank you.

4 CHAIRMAN CLARK: Mr. Moyle, we need to you  
5 unmute your phone.

6 MR. MOYLE: Thank you, Mr. Chairman. Jon  
7 Moyle on behalf of FIPUG.

8 I want to start on a non-case-related note  
9 just to commend your staff for all of the time and  
10 effort and energy they put into making this hearing  
11 take place in this virtual environment as a result  
12 of the pandemic. They have done a good job, and  
13 hopefully things will go well. If they don't go  
14 well, it won't be because of a lack of a diligent  
15 effort on -- on their part.

16 CHAIRMAN CLARK: Thank you.

17 MR. MOYLE: Mr. Chairman, on behalf of the  
18 Florida Industrial Power Users Group, I was trying  
19 to think of the right phrase to summarize the view  
20 of FIPUG, and justifiably nervous came to mind.  
21 And we are justifiably nervous. We are going to  
22 have a lot of questions, because this is a  
23 complicated deal, it's a complicated subject, and I  
24 think rightly so. Not only should the parties ask  
25 a lot of questions, the Commission should ask a lot

1 of questions. You know, this -- this dealing with  
2 materials that have radioactive half lives that,  
3 you know, go for a long, long period of time, and  
4 we need to do everything we can to make sure that  
5 this is a deal that has all of the protections for  
6 the consumers, and that's a key role that the  
7 Commission plays.

8 So the notion that we are bringing you this  
9 deal and, you know, your choice is to approve it as  
10 is and you can't put any kind of your own imprint  
11 on it, I just reject that. And as I will tell you,  
12 there are a couple of points that FIPUG is going to  
13 focus on, but briefly we will get into this. We  
14 are justifiably nervous because there have been so  
15 many times when engineers -- you know, engineers  
16 have said here's what we are going to do that have  
17 not worked out and that have ended up costing  
18 ratepayers a lot of money with Crystal River 3, and  
19 it starts when they designed the plant.

20 They put a many generator in that was supposed  
21 to last for 30 years, and all of a sudden, it's  
22 like, oh, well, we can put a new generator in, and  
23 there wasn't room. The door to get stuff in and  
24 out wasn't big enough, so they had to cut the hole  
25 in the containment building. And when they cut the



1 hole, then all of a sudden the building started  
2 cracking, and one thing led to another. They're,  
3 oh, like, we can fix this. The engineers all got  
4 together and said we can fix it. And while it's  
5 down, we are going to spend money on an uprate.

6 Well, they didn't get it fixed. The building  
7 continued to crack, and ultimately it got shut down  
8 early, and it's cost ratepayers a lot, a lot of  
9 money.

10 So there is a saying that I think probably  
11 bears repeating now, which is, you know, fool me  
12 once, shame on you, fool me twice, shame on --  
13 shame on me. And we are going to ask a lot of  
14 questions about this project in this proposal.

15 A couple of -- a couple of things. There is  
16 owe, I think, a very modest request that -- that  
17 you all get information from an independent  
18 monitor. There is a lot of entities that are  
19 getting information. Duke is going to talk to  
20 their senior management monthly or quarterly. They  
21 are going to talk to their board. The NRC, I  
22 think, gets information. There is one of the  
23 discovery responses about, well, how will the  
24 consumers know if something has gone wrong on this?  
25 And Duke said, well, we will file a petition.

1           We don't want to know when something is going  
2           wrong by filing a petition. And I don't think the  
3           Commission would either. And so I think having a  
4           more robust reporting, and having an independent  
5           monitor are very moderate, modest proposals that,  
6           you know, you ought to consider and -- and ask be  
7           done.

8           And this deal is worth a lot of money to these  
9           entities. The idea that they are going to walk  
10          away from this because you want to have an  
11          independent monitor, I don't think that should  
12          carry the day.

13          Ms. Dianne Triplett talked about, well, we  
14          want to come in and renegotiate the deal. Well, we  
15          were never at the table. I mean, it's not -- it's  
16          not like we were at the table and now we are  
17          complaining.

18          You know, this is the opportunity for those  
19          representing consumers and their interests to bring  
20          issues to you, and we've asked them what's the role  
21          of the Public Service Commission? And they, after  
22          initially forgetting that, reminded -- we had to  
23          remind them that the role is to look out for  
24          customers as well. That's one of the things that  
25          is -- is essential charge of what you do in terms

1 of the balancing that must be done.

2 We would like to try to explore getting some  
3 money back now. There is a term intergenerational  
4 inequity, where you don't want to have one set of  
5 customers paying for things and another set of  
6 customers over the passage of time benefiting.

7 And this is set up, lots of money has been put  
8 into this trust fund, this nuclear decommissioning  
9 trust fund, and if it's surplus money in it right  
10 now, and we are going to ask questions about that,  
11 why not refund some portion of that back to the  
12 consumers now?

13 The proposal that Duke is putting forward  
14 says, oh, we are going to safe, we think, maybe  
15 \$100 million. There is smart people, financial  
16 people on your staff and otherwise that could say,  
17 well, if they are as confident as they say about  
18 this hundred million, why can't we do a net present  
19 value calculation and put some of that money back  
20 to customers now?

21 You know, you heard a lot of discussion this  
22 morning about the COVID-19 pandemic, and how  
23 customers are hurting. I would urge you to keep --  
24 keep that in mind as we talk about the funds and  
25 the ability to put money back into consumers'

1           pockets now.

2           Ms. Triplett said, well, that's nice that we  
3           want to do that, but we can't do it for two things.  
4           We are not sure that it would be a qualified fund,  
5           and we are also not sure that the NRC would --  
6           would be okay with it.

7           Well, Duke has already gotten a waiver from  
8           the NRC. There is a waiver process. They are  
9           asking you for a waiver in this case from certain  
10          reporting requirements.

11          There is also a public letter ruling that has  
12          been involved in this case, so Duke knows how --

13          CHAIRMAN CLARK: Mr. Moyle, 30 -- 30 seconds.

14          MR. MOYLE: Thank you.

15          And if -- and if, I think, nudged in that  
16          direction, it would be helpful to the consumers for  
17          the Commission to say, Duke, do everything you can  
18          to try to get the ratepayers some money back now.

19          So I guess the final point, Mr. Chair, that we  
20          want to ask about, you know, you have contractors,  
21          you hire them all the time. When else do you say,  
22          oh, we are going to hire you, and then are we are  
23          going to create a fund and pay you 540 million in a  
24          fund and let you make investment decisions over it?  
25          That's what you will hear in this case, and

1           that's -- that's, we believe, very unorthodox and  
2           something y'all should look at closely. We have  
3           some concerns about it.

4           So thank you for the -- for the time, Mr.  
5           Chairman. And as we move through this, unless you  
6           have a preference otherwise, I will probably just  
7           listen and take my camera off and go from there,  
8           but thank you for the chance to make an opening  
9           statement.

10           CHAIRMAN CLARK: No problem. Thank you,  
11           Mr. Moyle.

12           Okay. Ms. Triplett, were you able to get your  
13           witness on-line?

14           MS. TRIPLETT: Mr. Chairman, I am texting with  
15           him. Mr. Doss, are you on?

16           Okay. What I would propose, Mr. Chair, is I  
17           believe he -- Mr. Doss was first, but perhaps we  
18           could take Mr. State first and move Mr. Doss down  
19           to allow more time for him to work on his IT  
20           issues.

21           CHAIRMAN CLARK: I have no problem with that.  
22           Is everyone okay with that terms of their  
23           preparations?

24           Okay. All right. Let's call your first  
25           witness.

1 MS. TRIPLETT: And, Mr. Chair, one procedural  
2 matter. Were you intending to swear in each  
3 witness as they appear --

4 CHAIRMAN CLARK: Yes. Thank you --

5 MS. TRIPLETT: -- or would you like to swear  
6 all of them?

7 CHAIRMAN CLARK: Yes. Thank you. We do -- we  
8 will swear in each witness as they appear.

9 MS. TRIPLETT: Okay. Thank you.

10 Duke Energy Florida would call Scott State.

11 CHAIRMAN CLARK: Thank you.

12 Mr. State, would you please raise your right  
13 hand and repeat after me?

14 Whereupon,

15 SCOTT E. STATE

16 was called as a witness, having been first duly sworn to  
17 speak the truth, the whole truth, and nothing but the  
18 truth, was examined and testified as follows:

19 THE WITNESS: Yes, I do.

20 CHAIRMAN CLARK: Thank you very much.

21 Ms. Triplett.

22 MS. TRIPLETT: Thank you, sir.

23 EXAMINATION

24 BY MS. TRIPLETT:

25 Q Would you please introduce yourself to the

1 **Commission, and provide your address?**

2 A Good afternoon, Commissioners. My name is  
3 Scott State. My business address is 17101 Preston Road,  
4 Suite 115, Dallas, Texas, 75248.

5 **Q Who do you work for, and what is your**  
6 **position?**

7 A I am employed by Accelerated Decommissioning  
8 Partners, LLC, and I am the Chief Executive Officer.

9 **Q And have you filed prefiled direct testimony**  
10 **and exhibits in this proceeding?**

11 A Yes, I have.

12 **Q Do you have a copy of your prefiled testimony**  
13 **and exhibits with you?**

14 A Yes, I do.

15 **Q And do you have any changes to make to either**  
16 **the testimony or the exhibits?**

17 A I do not.

18 **Q If I asked you the same questions in your**  
19 **prefiled testimony today, would you give the same**  
20 **answers that are in your prefiled testimony?**

21 A Yes issues, would.

22 MS. TRIPLETT: Mr. Chair, we request that the  
23 prefiled testimony be entered into the record as if  
24 it were read today.

25 CHAIRMAN CLARK: So ordered.

1 MS. TRIPLETT: Thank you.

2 (Whereupon, prefiled direct testimony was  
3 inserted.)

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**IN RE: PETITION BY DUKE ENERGY FLORIDA, LLC TO APPROVE  
TRANSACTION FOR ACCELERATED DECOMMISSIONING SERVICES AT THE  
CR3 FACILITY, TRANSFER OF TITLE TO SPENT FUEL AND ASSOCIATED  
ASSETS, AND ASSUMPTION OF OPERATIONS OF THE CR3 FACILITY PURSUANT  
TO THE NRC LICENSE, AND REQUEST FOR WAIVER FROM FUTURE  
APPLICATION OF RULE 25-6.04365, F.A.C. FOR NUCLEAR DECOMMISSIONING  
STUDY**

**FPSC DOCKET NO. \_\_\_\_\_**

**DIRECT TESTIMONY OF SCOTT E. STATE**

1 **Q. Please state your name and business address.**

2 A. Scott E. State, P.E., 17101 Preston Road, Suite 115, Dallas, TX 75248.

3

4 **Q. By whom are you employed and what is your position?**

5 A. I am the Chief Executive Officer (“CEO”) of Accelerated Decommissioning Partners,  
6 LLC (“ADP”) and its wholly owned subsidiary, ADP CR3, LLC (“ADPCR3”). ADP is a  
7 joint venture between NorthStar Group Services, Inc. (“NorthStar”) (75% owner) and  
8 Orano Decommissioning Holdings, LLC (25% owner), a wholly owned subsidiary of  
9 Orano USA, LLC (“Orano”), created specifically for the purpose of nuclear power plant  
10 decommissioning.

11

12 **Q. Please describe your educational background and professional experience.**

13 A. I have a bachelor’s degree and a master’s degree in nuclear engineering from Iowa State  
14 University, as well as a master’s degree in engineering management from Washington  
15 State University. I am a licensed professional engineer. I formerly held a Reactor  
16 Operator’s license from the U.S. Nuclear Regulatory Commission (“NRC”). I have held  
17 a U.S. Department of Energy (“DOE”) “Q” and Department of Defense Top Secret

1 clearance. Prior to entering the demolition and abatement field, I worked as a nuclear  
2 engineer for multiple companies, including AREVA (now known as Orano), designing  
3 nuclear fuel assemblies for boiling water reactors.

4 I have worked in the fields of nuclear engineering, environmental remediation,  
5 demolition, and abatement for thirty (30) years. My first direct experience with  
6 decommissioning a nuclear reactor facility was in 1992, when I was retained by UCLA to  
7 decommission and free release their campus-based nuclear reactor facility. Prior to my  
8 appointment as CEO of NorthStar in 2010 and ADP in 2017, I worked as a consultant on  
9 several projects, including a \$120 million remediation of a 9,000-acre former military  
10 facility, technical program management consulting, and executive-level support focused  
11 on cleaning up former nuclear weapons and nuclear power plant sites. I was also  
12 Chairman and CEO of MACTEC, Inc., a leader in engineering, environmental and  
13 construction services worldwide. MACTEC, Inc. performed environmental consulting  
14 work on both the Maine Yankee nuclear power plant and Connecticut Yankee nuclear  
15 power plant sites when I was at the company.

16  
17 **Q. What is the purpose of your testimony?**

18 A. My testimony is provided to support the request by Duke Energy Florida, LLC (“DEF”)  
19 for approval of the transaction between DEF and Accelerated Decommissioning Partners,  
20 LLC (“ADP”), pursuant to which DEF will contract with ADP, through its subsidiary  
21 ADPCR3, to complete the decommissioning activities of the Crystal River nuclear power  
22 plant (the “CR3 Facility”) on an accelerated basis, and through another subsidiary, ADP  
23 SF1, LLC (“ADPSF1”), to acquire ownership of the Independent Spent Fuel Storage

1 Installation (the “ISFSI”) assets from DEF, including the spent fuel, the dry shielded  
2 canisters, and the plant, property, and equipment that comprises the ISFSI (the “Proposed  
3 Transaction”). ADPCR3, ADPSF1 and ADP together represent the “ADP Group.” My  
4 testimony includes information regarding ADP and its experience with nuclear  
5 decommissioning activities through its parent companies, NorthStar and Orano, as well  
6 as an overview of ADP’s role in the Proposed Transaction, and the technical abilities and  
7 financial resources of ADP.

8  
9 **Q. Do you have any exhibits to your testimony?**

10 A. Yes, I sponsor the following exhibits:

11 Exhibit No. \_\_ (SS-1), NorthStar Projects; and

12 Exhibit No. \_\_ (SS-2), Orano Projects.

13 These exhibits are true and accurate.

14  
15 **Q. Please summarize why ADP is able to accomplish decommissioning and site  
16 restoration of the CR3 Facility earlier than DEF.**

17 A. The ADP Group and its affiliates are able to accomplish this earlier decommissioning and  
18 site restoration because, among other reasons, the ADP Group’s business is entirely  
19 focused on large-scale demolition and environmental remediation projects, such as  
20 nuclear decommissioning, while DEF’s core business centers on generating and selling  
21 electricity, as well nuclear operations. Due to its substantial expertise, the ADP Group  
22 has the capability of performing a majority of the decommissioning work itself or  
23 through its affiliated partners. Accordingly, under the Proposed Transaction, the ADP

1 Group will complete most decommissioning activities without the use of outside  
2 contractors (whereas DEF would otherwise need to employ a decommissioning  
3 operations contractor, thereby incurring expenses to select and to monitor such contractor  
4 during the entire decommissioning period). The key differentiator for the ADP Group is  
5 that it is a “one stop shop” for all site decommissioning activities. The ADP Group has  
6 the equipment and experience to self-perform almost all work on a decommissioning  
7 project with very little reliance on subcontractors. The ADP Group can also optimize the  
8 disposal of nuclear waste by using disposal resources that are available to it today, but  
9 that may become used and depleted in the future. Further, the ADP Group can commence  
10 decommissioning work immediately. These factors provide a degree of cost certainty as  
11 the ADP Group is able to project its costs based upon such substantial experience with a  
12 relatively high level of confidence (in contrast to cost projections for work scheduled to  
13 be done several decades in the future). In short, although DEF is the right party for  
14 operating a nuclear plant, the ADP Group is the right party for decommissioning a plant.

15  
16 **Q. Please provide an overview of NorthStar’s structure, work, and experience.**

17 A. NorthStar is the nation’s largest remediation and demolition company. NorthStar’s  
18 revenue in 2018 was over \$500 million, making it the largest demolition contractor in the  
19 world by revenue, according to *Construction & Demolition Recycling*. The company was  
20 founded in 1986 and has a broad range of experience, including projects involving  
21 nuclear materials, asbestos, lead paint, mold, infection control, hazardous materials,  
22 fireproofing, emergency and disaster services, demolition, and decommissioning.  
23 NorthStar has provided demolition and remediation services in connection with hundreds

1 of projects each year. NorthStar has more than twenty-five (25) branch locations  
2 nationwide and NorthStar entities are licensed to perform demolition and/or asbestos  
3 work in all fifty (50) U.S. states.

4  
5 **Q. What experience do NorthStar and its predecessors have with decommissioning**  
6 **work?**

7 A. NorthStar is deeply experienced in decommissioning and abatement work on all sorts of  
8 energy-related facilities and the contaminants often found at such facilities, including  
9 radioactive material, mercury, lead, asbestos (which is often a large part of the demolition  
10 process at nuclear plants), and polychlorinated biphenyl (“PCB”). NorthStar has recently  
11 acquired ownership of the Vermont Yankee nuclear power station. NorthStar is actively  
12 leading the nuclear decommissioning of the plant, alongside Orano, which is actively  
13 segmenting the reactor and reactor internals. NorthStar has extensive experience within  
14 the power industry, decommissioning tens of thousands of megawatts of power facilities  
15 throughout the U.S. while complying with state and federal rules and regulations. For  
16 example, NorthStar performed decommissioning, decontamination, and asbestos  
17 abatement of the Mohave Generating Station, a coal-fired facility in Laughlin, Nevada,  
18 located on 3,000 acres of land adjacent to the Colorado River.

19  
20 **Q. What specific experience does NorthStar have in the nuclear sector?**

21 A. NorthStar (and its predecessors) has performed demolition and decommissioning work at  
22 numerous sites throughout the U.S. As mentioned above, NorthStar and Orano are  
23 actively decommissioning the Vermont Yankee nuclear power station. The similar scale

1 and complexity of the nuclear decommissioning project for Vermont Yankee, in addition  
2 to the substantial decommissioning experience of the ADP Group, make ADP uniquely  
3 qualified to perform the accelerated decommissioning for the CR3 Facility. At Vermont  
4 Yankee, Orano is actively segmenting the reactor vessel and internals and packaging  
5 them for shipment to Texas for disposal at Waste Control Specialists. NorthStar is  
6 actively performing all pre-demolition work including asbestos and hazardous material  
7 abatement, and demolishing structures as such work is complete. Ultimately, once the  
8 reactor and internals are segmented and shipped off site for disposal, NorthStar will  
9 complete the decommissioning by demolishing the power block (where the reactor had  
10 been housed) and ship that material to WCS in Texas for disposal. NorthStar's most  
11 recent nuclear projects include decommissioning services for five NRC-regulated  
12 research reactors at university site as well as four DOE sites. When working on university  
13 and DOE sites, the work NorthStar performs is subject to NRC requirements. NorthStar  
14 has a consistent record of projects completed within budget, without any notices of  
15 violation ("NOVs") from any governmental authority, and without any U.S. Occupational  
16 Safety and Health Administration ("OSHA") recordable incidents. A summary of such  
17 various NorthStar projects is attached as Exhibit No. \_\_\_\_ (SS-1) to my testimony.

18  
19 **Q. Please describe the ADP Group's financial position.**

20 A. The ADP Group's financial position is backed by committed support from both NorthStar  
21 and Orano. These parent companies have formalized their financial backing for ADP  
22 Group's work at the CR3 Facility through both parental guaranty's and parental support  
23 agreements. These financial support documents will be executed at or before the

1 transaction close. In addition, to the committed parental support, ADP will also fund a  
2 \$50 million liquidity trust fund to further secure performance, as discussed in more detail  
3 below.

4  
5 **Q. What role will the ADP Group, NorthStar, and Orano, as well as their employees,**  
6 **have in performing the decommissioning and site restoration work at the CR3**  
7 **Facility?**

8 A. The ADP Group, through its affiliates NorthStar and Orano, will perform the majority of  
9 the work itself, thus avoiding the expense of selecting and then overseeing contractors or  
10 subcontractors, an expense that DEF would have to incur if it were to hire a  
11 decommissioning operations contractor rather than entering into the Proposed  
12 Transaction. The ADP Group's self-performance approach to the Proposed Transaction is  
13 the same approach followed on prior projects (including those set forth in Exhibit No. \_\_  
14 (SS-1) attached to my testimony), where (aside from certain specialized tasks) the ADP  
15 Group and its affiliate employees dismantled, removed, and packaged all systems,  
16 structures, and reactors. Orano will perform the specific task of segmenting the nuclear  
17 reactor pressure vessel and vessel internals. In certain instances, the ADP Group will  
18 engage third parties with relevant managerial and technical experience and expertise to  
19 assist in the decommissioning process. The ADP Group will contract with Waste Control  
20 Specialists, LLC ("WCS"), which operates a low-level radioactive waste ("LLRW")  
21 disposal site in Andrews, Texas, which is the only commercial facility in the U.S.  
22 licensed to dispose of all types of LLRW (i.e., Class A, Class B, and Class C LLRW).  
23 WCS is an affiliate of NorthStar. The WCS site can also accept "exempt" labeled waste

1 in separate disposal cells. WCS will optimize waste streams for economical waste  
2 disposal, taking advantage of WCS's dedicated cells for Class A, B, and C LLRW and its  
3 other currently available yet limited disposal cells for exempt waste, which may likely be  
4 unavailable several decades from now. This decommissioning approach allows the ADP  
5 Group to complete work within their core competencies for fixed-prices without adding  
6 costs that come with working as or under a decommissioning operations contractor. Due  
7 to such project management efficiencies, as well as others, the ADP Group is able to  
8 decommission the CR3 Facility at a lower fixed cost under the Proposed Transaction with  
9 DEF.

10

11 **Q. Please describe Orano's experience in dismantling nuclear reactor vessels and/or**  
12 **structures internal to the vessel.**

13 A. Orano has significant experience in nuclear component dismantling and spent fuel  
14 management. Orano is an unmatched leader in the industry for segmentation work  
15 involving nuclear reactors vessels and internal structures. Orano has successfully  
16 segmented and dismantled five (5) nuclear plants since 1999, each of which were  
17 completed on schedule and within budget, and without any regulatory, environmental, or  
18 safety issues or NOVs. A summary of these Orano projects is attached as Exhibit No. \_\_  
19 (SS-2) to my testimony.

20

21 **Q. Will Orano have any other role in the project?**

22 A. Yes. All of the CR3 Facility spent fuel was moved by Orano from its spent fuel pool to  
23 its dry fuel storage pads using an Orano dry fuel storage system, which was completed in



1 January 2018. Orano, on behalf of ADPSF1, will support the long-term management of  
2 the spent nuclear fuel (“SNF”) in dry storage and will oversee the transfer of the fuel to  
3 DOE when the DOE is ready to accept it. Orano manages more spent fuel than any other  
4 company in the world and has been providing dry fuel storage and transportation for the  
5 nuclear industry for more than fifty (50) years. Orano has loaded more dry fuel  
6 assemblies than any other supplier in the U.S. Orano has worldwide experience with  
7 transporting SNF and Orano transports approximately 1,000 tons of SNF every year,  
8 which is approximately half of the annual SNF unloaded in the U.S. annually.  
9

10 **Q Please describe the timing of the decommissioning and site restoration under the**  
11 **Proposed Transaction.**

12 A. The ADP Group estimated that it will commence decommissioning activities by 2020 and  
13 continue through 2027, allowing for unrestricted use of nearly the entire CR3 Facility  
14 (other than the ISFSI) by this time. Once the SNF is transferred to a storage facility or  
15 permanent disposal, the ISFSI will be demolished and the NRC operating license will be  
16 terminated, with an estimated time for completion by 2038. ADP Group will complete  
17 both decommissioning and site restoration by approximately 2038, which is decades  
18 earlier than the current SAFSTOR model.  
19

20 **Q. What financial protections are built in to ensure that the work is completed as**  
21 **estimated by the ADP Group?**

22 A. The ADP Group built in several protections to ensure that it can rely on its estimates. The  
23 ADP Group includes a contingency or potential profit margin in the amount it estimates

1 for each task; if a task ends up costing more than the ADP Group's estimate, the ADP  
2 Group's profit will be reduced but the contingency amount will be available to fund  
3 completion of the task. If the task ends up costing more than the estimated amount  
4 including the contingency, the ADP Group will still have to complete the task to comply  
5 with its decommissioning and site restoration obligations to the NRC and DEF,  
6 respectively. The ADP Group has agreed to be paid under the contract according to a  
7 pay-item disbursement schedule that designates a specific amount for each separate task  
8 required to complete decommissioning and site restoration. The amount earmarked in the  
9 pay-item disbursement schedule would be the only money available for a task, which  
10 would be paid from DEF's nuclear decommissioning trust (the "NDT"). If the ADP  
11 Group goes over budget for a task, it could not get paid additional moneys from the NDT  
12 to complete that task. This payment method aligns the ADP Group's incentives with the  
13 goal of successful on-time, on-budget completion. Additionally, as a condition of the  
14 Proposed Transaction with DEF, the ADP Group also commits to provide, and will  
15 require its partners and parent companies (NorthStar and Orano) to provide, appropriate  
16 performance bonds to guarantee the performance of the tasks. In the unlikely event that  
17 the bonds are unavailable or inadequate, the ADP Group will be able to draw on a \$50  
18 million liquidity trust fund funded by ADP and secured by a guarantee from WCS.

19  
20 **Q. Please explain further how the pay-item disbursement schedule works.**

21 A. The ADP Group's contracting work will be based upon a work breakdown structure in  
22 which smaller discrete sub-tasks to be performed by the ADP Group during the  
23 decommissioning process will each be specified and assigned its own fixed-price charge

1 from the total fixed price of the contract under the Proposed Transaction. As such sub-  
2 tasks are conducted or completed and deliverables are provided, and such efforts are  
3 appropriately documented, verified, and approved, the ADP Group will be paid the  
4 amount for the specific sub-task completed.

5  
6 **Q. What certainty does the ADP Group have that its cost estimate for the various tasks**  
7 **are reliable and that it will not go over budget?**

8 A. The ADP Group had the benefit of an on-site due diligence review performed at the CR3  
9 Facility, on which it based its revised bid during the DEF bidding process. With this  
10 information, and because of the fact that the ADP Group does much of the  
11 decommissioning work itself and can reliably estimate costs based on its substantial past  
12 experience, the ADP Group has high confidence in the cost estimates prepared for each  
13 task. The estimated costs are based on prior decommissioning cost estimates, building  
14 and equipment inventories, interviews with CR3 Facility site personnel and our  
15 decommissioning consultants, field walk-downs of the CR3 Facility, and production rates  
16 from the ADP Group and team members. Because the ADP Group plans to commence  
17 the work almost immediately, it can estimate those costs with far greater certainty than  
18 cost estimates for work to be done in the distant future (when DEF projects performing  
19 the work under the current SAFSTOR model), which may change significantly due to  
20 new regulatory developments or other unforeseen circumstances. This is a commonly  
21 recognized advantage of immediate rather than deferred decommissioning.

22

23

1 Q. Does this conclude your direct testimony?

2 A. Yes.

1 BY MS. TRIPLETT:

2 Q Mr. State, do you have a summary of your  
3 prefiled testimony?

4 A I do.

5 Q And if you could provide that to the  
6 Commission? Thank you.

7 A Yes.

8 My prefiled direct testimony contains  
9 information regarding ADP and its experience with  
10 nuclear decommissioning activities through its parent  
11 company, NorthStar and Orano, and an overview of ADP's  
12 role in the proposed transaction. My testimony also  
13 addresses the technical abilities and resources of ADP.

14 ADP, ADP CR3 and ADP SF1, together the ADP  
15 Group, are entirely focused on nuclear decommissioning.  
16 The ADP Group is a one-stop shop for all site  
17 decommissioning activities, and thus, has the capability  
18 of performing decommissioning work itself, or through  
19 its affiliated partners, with very little reliance on  
20 subcontractors.

21 The ADP Group can optimize the disposal of the  
22 nuclear waste by using disposal resources that are  
23 available to it today but may become depleted in the  
24 future. Importantly, the ADP Group can immediately  
25 begin decommissioning work.

1           NorthStar is the nation's largest remediation  
2 and demolition company. NorthStar recently acquired  
3 ownership of the Vermont Yankee nuclear plant, and in  
4 conjunction with Orano is currently leading the nuclear  
5 decommissioning of that plant.

6           NorthStar's recent nuclear projects include  
7 decommissioning services for five NRC related research  
8 reactors at university sites, and at four DOE sites.  
9 NorthStar projects are consistently completed within  
10 budget, without notices of violation from any  
11 governmental authority, and without OSHA recordable  
12 incidents.

13           Orano has significant experience in nuclear  
14 component dismantling and spent fuel management. Since  
15 1999, Orano has successfully segmented and dismantled  
16 five nuclear plants on schedule, within budget and  
17 without regulatory environmental or safety issues.  
18 Orano will support the long-term management of the spent  
19 nuclear fuel and dry fuel storage, and oversee the  
20 transfer to DOE when DOE is ready to accept that fuel.

21           The ADP Group estimates that nearly entire --  
22 nearly the entire CR3 facility, other than the ISFSI, be  
23 made available for unrestricted use by 2027, and that it  
24 will complete both decommissioning and site restoration  
25 by approximately 2038.

1           The ADP Group will be paid under a payout and  
2           disbursement schedule that designates a specific amount  
3           for each task required to complete decommissioning and  
4           site restoration. The ADP has stated the cost for  
5           each task with a contingency or potential profit margin.

6           The ADP Group complete the tasks even if the  
7           costs exceed the estimated amount per its obligations to  
8           the NRC and Duke Energy Florida. Because the ADP Group  
9           has had an on-site due diligence review of the CR3  
10          facility conducts much of its decommissioning work  
11          itself has substantial experience, and will commence the  
12          work immediately, it can be -- it can reliably estimate  
13          the costs.

14          **Q     Thank you.**

15          MS. TRIPLETT: Mr. Chair, we tender Mr. State  
16          for cross-examination.

17          CHAIRMAN CLARK: All right. Thank you very  
18          much.

19          Mr. Rehwinkel, are you available?

20          MR. REHWINKEL: Yes, Commissioner -- Mr.  
21          Chairman, I mean.

22          I am just -- I had to completely rearrange my  
23          thought process, so I am just getting myself  
24          together. I think I am there, but I -- I beg the  
25          indulgence. I was caught off guard.

1           CHAIRMAN CLARK: Yes, we understand. That is  
2 not a problem. It's got everybody a little  
3 confused too, so no problem.

4           MR. REHWINKEL: So I am just -- and I would  
5 ask your indulgence. I prepared my cross. I had  
6 it arranged a different way, so if I have to pause  
7 because I had an assumption about what was going to  
8 go in evidence earlier, please bear with me, but I  
9 think I am ready to go.

10           Okay. Actually, Mr. Chairman, before we get  
11 under way, I -- I -- I think that you should have a  
12 document that I provided to staff at the request of  
13 the prehearing officer that is a list of our  
14 exhibits with our proposed short titles. I hope  
15 that you and the Commissioners have that.

16           And also, I have given a list of exhibits and  
17 the anticipated witnesses to Ms. Triplett so that  
18 witnesses could be prepositioned with the documents  
19 to make things go faster. Are we all on the same  
20 page?

21           CHAIRMAN CLARK: Let me check and get an  
22 assurance. I have got one.

23           Does each of the Commissioners have the  
24 documents in front of them that they need?

25           COMMISSIONER FAY: Mr. Chairman, can you



1 clarify where those are?

2 CHAIRMAN CLARK: They are going to be in the  
3 drop -- are they in the Dropbox? One second.

4 COMMISSIONER POLMANN: I am told we did not  
5 get that.

6 MS. HELTON: Mr. Chairman, can I --

7 THE WITNESS: Mr. Rehwinkel, I do have those  
8 documents.

9 MR. REHWINKEL: Okay. Thank you.

10 MS. HELTON: Charles, where -- Mr. Rehwinkel,  
11 when did you give Adam Teitzman the list of the  
12 short titles, because I'm not sure I got that, but  
13 that might be my lack of not having downloaded it  
14 from that the virtual folder.

15 MR. REHWINKEL: Well, I e-mailed it to Suzanne  
16 at about seven o'clock this morning. I -- I said I  
17 would give it earl in the day on the hearing I  
18 thought. I have given -- I have given that, I  
19 hope, it's in your hand, that would -- I -- I  
20 thought that would facilitate the entering of the  
21 exhibits, but we also need to make sure everybody  
22 has access to the exhibits --

23 CHAIRMAN CLARK: Okay.

24 MR. REHWINKEL: -- because there is a --

25 Mr. State has indicated he has the documents, but

1           there is a list of -- there are -- there are a set  
2           of exhibits that I am going to go through some, but  
3           maybe not all with him.

4           CHAIRMAN CLARK: So everybody hang tight just  
5           one second and let us establish that we have the  
6           documents and that everybody has a copy. Just  
7           stand by.

8           MR. HETRICK: Thank you, Mr. Chairman.

9           MS. HELTON: Mr. Chairman, Suzanne is sending  
10          that list out to the aids, and then the aids can  
11          forward it to the Commissioners so that they  
12          will -- to the best email for them.

13          CHAIRMAN CLARK: Okay. Does any Commissioner  
14          not already have the document, or not need the  
15          document? You do not, okay, so Commissioner Fay is  
16          the only one that has it.

17          COMMISSIONER FAY: No, I do not have it, Mr.  
18          Chairman.

19          CHAIRMAN CLARK: You do not. I am sorry.

20          COMMISSIONER FAY: Yeah. And there is an  
21          exhibit table under the confidential OPC  
22          cross-examination exhibit --

23          CHAIRMAN CLARK: Correct.

24          COMMISSIONER FAY: -- but it doesn't have  
25          the -- the label in it. It's basically an empty

1 spreadsheet.

2 CHAIRMAN CLARK: Okay.

3 MS. HELTON: Right. So we are getting now, I  
4 think this will have the short titles, which will  
5 make it easier to identify the exhibits during the  
6 hearing.

7 CHAIRMAN CLARK: Okay.

8 COMMISSIONER FAY: Perfect. Thank you.

9 CHAIRMAN CLARK: Do -- so while we're on this  
10 short break, does anyone else have exhibits similar  
11 to this that we need to get out that you are going  
12 to be trying to enter? Anyone else, Suzanne, that  
13 you know of?

14 MS. BROWNLESS: No, sir. What Charles filled  
15 out was he provided on the confidential exhibit  
16 list the same document that he subsequently filled  
17 in. And when he filled it in, he sent it to me,  
18 and I, unfortunately, did not forward it on.

19 CHAIRMAN CLARK: Okay.

20 MS. BROWNLESS: So that's what you have just  
21 been forwarded on.

22 CHAIRMAN CLARK: Okay.

23 MS. BROWNLESS: As far as I know, that's the  
24 only thing.

25 MS. HELTON: Ms. Triplett included her short

1 titles on her exhibits when she provided them to us  
2 last week, so -- and I think it was only Ms.  
3 Triplett and Mr. Rehwinkel that provided us  
4 cross-examination exhibits, Mr. Chairman. So I  
5 think we are good now.

6 CHAIRMAN CLARK: Okay.

7 COMMISSIONER FAY: And, Mr. Chairman, I  
8 received my list, so I am good to go whenever.

9 CHAIRMAN CLARK: Okay. Commissioner Brown,  
10 are you good?

11 COMMISSIONER BROWN: Yes, I am. I am good.

12 CHAIRMAN CLARK: Commissioner Graham?

13 COMMISSIONER GRAHAM: I am not. I am still  
14 looking for it.

15 CHAIRMAN CLARK: Okay. Commissioner Polmann?

16 COMMISSIONER POLMANN: I will be in a minute,  
17 as soon as I find it.

18 CHAIRMAN CLARK: Okay.

19 THE WITNESS: Might I just confirm something?  
20 I received two different files with a total of, I  
21 believe, 30 exhibits. Someone earlier mentioned  
22 33. Do I have the right set?

23 CHAIRMAN CLARK: Okay.

24 MR. REHWINKEL: Mr. Chairman, I can answer  
25 Mr. State's question from my standpoint.

1 I have provided 30 exhibits of confidential  
2 and nonconfidential together. And Mr. State has  
3 been directed to a subset of those, so whether  
4 others have exhibits, I don't know.

5 MS. BROWNLESS: Excuse me, Ms. Helton, this  
6 material has the exhibit list. The hearing exhibit  
7 list that Charles prepared has been placed on the T  
8 drive, so the Commissioners should be able to  
9 access it from there.

10 CHAIRMAN CLARK: Okay. I think they are all  
11 getting the e-mails. Ms. Helton --

12 MS. BROWNLESS: And they are also being  
13 emailed.

14 CHAIRMAN CLARK: Okay.

15 MS. HELTON: I am not sure who asked that  
16 question, but it's the Commission's practice to  
17 prepare a comprehensive exhibit list that  
18 pre-identifies exhibit numbers, and so we have  
19 Exhibits 1 through 33 on that list that have been  
20 prenumbered and pre-identified. And then because  
21 of the COVID situation in which we are in, we asked  
22 for the parties to provide us with all  
23 cross-examination exhibits. And so Mr. Rehwinkel  
24 provided 30 exhibits on behalf of OPC, and Ms.  
25 Triplett provided three exhibits on behalf of Duke,

1 and so that is the universe of all known exhibits  
2 to my knowledge.

3 CHAIRMAN CLARK: And if I am correct, all the  
4 exhibits were premarked with the company DEF  
5 Exhibit 1, OPC Exhibit 1, so that's how you can  
6 differentiate the other ones.

7 MS. HELTON: Yes, sir. And if they are  
8 confidential, then we asked them to include a C  
9 after the number.

10 CHAIRMAN CLARK: That's correct.

11 Okay. Commissioners -- Commissioner Graham,  
12 do you have it yet?

13 COMMISSIONER GRAHAM: I do not, sir.

14 COMMISSIONER BROWN: Commissioner Graham, I  
15 think my advisor is e-mailing it to you.

16 COMMISSIONER POLMANN: I have it.

17 CHAIRMAN CLARK: Did Commissioner Polmann have  
18 it?

19 Commissioner Polmann, did you have it?

20 COMMISSIONER POLMANN: Yes, sir. And  
21 apparently there are six or eight copies going to  
22 Commissioner Graham.

23 CHAIRMAN CLARK: All right. And, Commissioner  
24 Fay, you got it. Waiting on -- as soon as  
25 Commissioner Graham gets the documents, we will be

1 prepared to begin.

2 MR. REHWINKEL: Thank you, Mr. Chairman. I  
3 think -- I want to echo Mr. -- while we are  
4 waiting, I want to echo Mr. Moyle's comments. Your  
5 staff has -- has done an outstanding job of getting  
6 us to the position of doing our first ever  
7 contested virtual hearing. I think what we are  
8 doing right now is -- is going to be something we  
9 just do one time and it will flow smoothly after  
10 this.

11 CHAIRMAN CLARK: Okay. Mr. Rehwinkel is noted  
12 as an eternal optimist here. I appreciate all of  
13 the comments. I think as well, staff has done a  
14 phenomenal job, and y'all bear with me, and things  
15 normally just really, really run smooth, and so  
16 when we do have these little minor hiccups, I think  
17 we all kind of get out of shape a little bit, so  
18 bear with me as we go through this.

19 Commissioner Graham, you now have the  
20 documents, correct?

21 COMMISSIONER GRAHAM: I am good.

22 CHAIRMAN CLARK: Okay. All right. Mr. State  
23 has been sworn in. He has been provided his  
24 summary, and, Mr. Rehwinkel, you are up for cross.

25 MR. REHWINKEL: Thank you.

1 EXAMINATION

2 BY MR. REHWINKEL:

3 Q And good afternoon, Mr. State. My name is  
4 Charles Rehwinkel, and I am with the Office of Public  
5 Counsel.

6 Can you -- isn't it true that the real purpose  
7 that you are here testifying is to get through this  
8 process and start accessing the nuclear decommissioning  
9 trust?

10 A Our -- our purpose is to get an approval for  
11 the proposed transaction to conduct the decommissioning.

12 Q Well, you state on page two of your testimony  
13 that you are here to support the request by Duke Energy.  
14 Do you see that on -- on line 18?

15 A Yes.

16 Q Okay. But you are also here for yourself and  
17 for your investors, are you not?

18 A I am here representing the company that is  
19 going to be the primary party that will decommission the  
20 nuclear power plant if this is approved.

21 Q Okay. Now, you are the CEO of ADP, is that  
22 correct?

23 A That is correct.

24 Q And when I say ADP, I think you used the term  
25 of ADP Group, and that's ADP CR3, ADP CR3, ADP SF1 and



1 then just ADP, those are all the same company, are they  
2 not?

3 A They are all a family group. ADP would be the  
4 holding entity, and the other two would be wholly owned  
5 subsidiaries.

6 Q Okay. And you are the CEO of all three of  
7 them?

8 A Yes.

9 Q Okay. You are ultimately the CEO of  
10 NorthStar, is that correct?

11 A That's correct.

12 Q And when I say NorthStar, I meant NorthStar  
13 Group Services, Inc.; is that what you understood?

14 A Yes, sir.

15 Q And you are also the CEO of Waste Control  
16 Specialists, is that also true?

17 A Yes, sir.

18 Q Okay. And all -- ADP, NorthStar and Waste  
19 Control Specialists are all Delaware companies?

20 A I believe so. Yes.

21 Q Okay. And ADP is a 75-percent parent --  
22 NorthStar is a 75-percent parent of ADP, is that also  
23 correct?

24 A That's correct.

25 Q As the CEO of all of the entities that I just

1 talked about, you are the ultimate executive upon whom  
2 the Commission can rely to gauge whether what you  
3 propose is in the public interest and in the best  
4 interest of customers who provided the trust funds that  
5 you want to tap into; is that correct?

6 A Yes.

7 Q And, in fact, you and Mr. Adix are the only  
8 executives of either party who are testifying in this  
9 Florida case; is that right?

10 A I believe that's correct. Yes.

11 Q Do you have Exhibit 13, is that one that I  
12 asked you to --

13 A I have Exhibit 13, yes.

14 Q Okay.

15 A Would you like me to look at that?

16 Q Yes, please.

17 MR. REHWINKEL: Mr. Chairman, I have given  
18 Exhibit 13 the title of NRC Application  
19 Attachments.

20 CHAIRMAN CLARK: Okay.

21 MR. REHWINKEL: And I would ask that that be  
22 given Exhibit No. 34 for identification.

23 CHAIRMAN CLARK: Okay. It's marked as No. 34.

24 (Whereupon, Exhibit No. 34 was marked for  
25 identification.)

1 BY MR. REHWINKEL:

2 Q Mr. State, are you familiar with this  
3 document?

4 A I am, yes.

5 Q Pages one and two of the exhibit are a letter  
6 with -- with your name, your signature on it; is that  
7 right?

8 A Let me make sure. Page two has my signature,  
9 yes.

10 Q Okay. And can you tell me what -- generally  
11 what this document is?

12 A Yes. This is the document that transmitted on  
13 behalf of ADP CR3 and Accelerated Decommissioning  
14 Partners to the NRC requesting consent to direct and  
15 indirectly transfer control of the facility operating  
16 license for Crystal River Unit 3.

17 Q And it's dated June 26th, 2019, is that right?

18 A It is, yes.

19 Q Okay. Can you turn to page 34 of this  
20 exhibit, which is now Exhibit 34, which is my Exhibit  
21 13, please?

22 A Okay. So page 34 -- I want to make sure I am  
23 on the same page, because it -- is this the --

24 Q That's a fair question. In this case, in the  
25 upper right OPC Exhibit 13, Bates number 000034 -- four

1     **zeros and --**

2           A     Yes, I have got it. Yeah, I am there.

3           **Q     All right. Is this organizational chart**  
4     **accurate with respect to the transaction that's before**  
5     **the Commission?**

6           A     Yes, it is.

7           **Q     Okay. NorthStar through its services parent**  
8     **is the LVI Parent Corp, is that right?**

9           A     NorthStar Group Services, Inc. parent is LVI  
10    Parent Corp, which, in turn, is NorthStar Group  
11    Holdings, LLC, is above that.

12          **Q     Okay. And are you -- are you an executive of**  
13    **LVI Parent Corp?**

14          A     I believe I would be the Chief Executive  
15    Officer of all three of those entities in that chain.

16          **Q     Okay. NorthStar Group Holdings, LLC, LVI**  
17    **Parent Corp and NorthStar Group Services, Inc., we have**  
18    **already established; is that right?**

19          A     Right.

20          **Q     Is it also true that LVI Parent Corp and**  
21    **NorthStar Group Holdings are shell companies?**

22          A     They are holding entities that hold the  
23    interest in those companies that are below them.

24          **Q     Okay. Is it true -- isn't it true that the**  
25    **assets in the NorthStar chain of companies are either at**

1 NorthStar Group Services or above NorthStar Group  
2 Holdings, LLC?

3 A I am not -- I am not understanding that.

4 Q Okay. The money, NorthStar Group Services,  
5 Inc., has actual assets, cash, accounts receivable, et  
6 cetera, on their books; is that right?

7 A Correct.

8 Q Whereas NorthStar Group Holdings and LVI  
9 Parent Corporation, they just hold stock or membership  
10 interest in the companies below them; is that right?

11 A Generally speaking. I think it would be a  
12 flow-through, yes, that they would, in fact, have access  
13 to all of those same assets that are at NorthStar Group  
14 Services, Inc., level.

15 Q Okay. And you would expect in a  
16 parent/grandparent relationship, right?

17 A Yes.

18 Q Now, above NorthStar Group Holdings we see  
19 JFL-NGS Partners, LLC, and then a chain of entities  
20 above that, right?

21 A Yes.

22 Q Okay. The entities above that represent  
23 ownership interests, if you will, of the investors that  
24 ultimately own NorthStar Group Services, Inc.; is that  
25 correct?

1           A     They are the parties that -- that provided the  
2 capital that was given to the company about a little  
3 over three years ago, yes.

4           **Q     Okay. So that's where the money is, right,**  
5 **above NorthStar Group Holdings, LLC?**

6           A     No. NorthStar Group Holdings and  
7 NorthStar's -- NorthStar Group Services have very  
8 substantial amounts of capital themselves. Above  
9 NorthStar Group Holdings is simply an investor group  
10 that has funded capital to NorthStar Group Holdings.

11          **Q     Okay. And like we talked about with NorthStar**  
12 **Group Holdings and LVI Parent Corporation, the ultimate**  
13 **owners of NorthStar are above NorthStar Group Holdings;**  
14 **is that correct?**

15          A     The ultimate shareholders are, yes.

16          **Q     Okay. Now, there was some discussion in the**  
17 **opening about parent guarantees, did you hear that?**

18          A     I did. Yes.

19          **Q     The parent guarantees in this case are given**  
20 **by NorthStar Group Services and Orano Decommissioning**  
21 **Holdings, LLC, is that correct?**

22          A     I can only speak to the NorthStar side. It's  
23 NorthStar Group Services. I would assume, on the other  
24 side, it -- I don't know which entity it would be on the  
25 other side, on the Orano side. I just don't recall.

1           Q     Okay.  But with respect to the NorthStar side,  
2     75 percent of the parent guarantee is from NorthStar  
3     Group Services, Inc.; is that right?

4           A     That's correct.

5           Q     Okay.  And that percentage would apply whether  
6     it was to the parent guarantee or the parental support  
7     agreement, 75 percent of the -- of the commitment from  
8     the NorthStar side would come from NorthStar Group  
9     Services, Inc.; is that right?

10          A     I believe that's correct.  I believe it's --  
11     it's tied to the pro rata ownership of the two parties.

12          Q     Okay.  Now, with respect to the parent  
13     guarantee of NorthStar Group Services, Inc., you are the  
14     CEO of the contractor and of the parent that will be  
15     responsible for the guarantee that is supposed to  
16     provide the Commission comfort that this job will be  
17     finished on time and on budget; isn't that right?

18          A     Can you define the two parties you are  
19     speaking of?  The contractor and -- I am not sure what  
20     you called that.

21          Q     That's a fair request on your part.

22                     The contractor I am referring to is  
23     Accelerated Decommissioning Partners, LLC.  And the  
24     parent is NorthStar Group Services, Inc.  So let me ask  
25     the question again, if that would help.

1           You are the CEO of both the contractor and the  
2 parent that would be responsible for the guarantee that  
3 is supposed to -- and let me say this, in part, provide  
4 the Commission comfort that this job will be finished on  
5 time and on budget?

6           A     Yes, I am the CEO of Accelerated  
7 Decommissioning Partners, LLC, and NorthStar Group  
8 Services, Inc.

9           Q     Okay. Isn't it true that neither Duke nor the  
10 Commission have a right to demand or expect that the  
11 investors above NorthStar Group Holdings, LLC, level  
12 will provide funds or support for the project if there  
13 is an event of default; is that correct?

14          A     The transaction does not provide for that.

15          Q     Okay. Isn't it true that the parent guarantee  
16 that is attached to the DSA, or the decommissioning  
17 services agreement, the parent guarantee form that's  
18 attached has an expressed nonrecourse provision that  
19 prohibits Duke from holding, excuse me, the investors  
20 above NorthStar Group Holdings, LLC, responsible for  
21 completing the job in the event of a default?

22          A     You know, I would need to look at that  
23 document. Off the top of my head, I don't know --

24          Q     But do you have --

25          A     -- the answer to that question.



1           Q     Okay. Do you have the DSA with you? It's  
2     Exhibit 6C, which is the entire confidential version.  
3     It has the confidential and nonconfidential parts  
4     together.

5           A     Okay, from that, what page would you like me  
6     to go to?

7           Q     I would like you to try page 115.

8           A     Bates 115?

9           Q     Let me make sure that Bates and the -- Mr --  
10    yes, Bates 115.

11          A     Okay.

12          Q     And this is Exhibit D-1.

13                COMMISSIONER FAY: Mr. Chairman, I apologize  
14     for the interruption. I just want to make sure I  
15     am on the right document. This is within the  
16     confidential exhibits?

17                MR. REHWINKEL: Yes.

18                COMMISSIONER FAY: It's labeled as 6C --

19                MR. REHWINKEL: 6C, yes.

20                COMMISSIONER FAY: What is it labeled under  
21     the original exhibit?

22                MR. REHWINKEL: Well, we haven't given it a  
23     title yet.

24                COMMISSIONER FAY: Okay.

25                MR. REHWINKEL: Yeah, but it is -- it says,

1 Confidential DSA on the list I gave you.

2 MS. HELTON: The OPC 6C that was on the  
3 virtual folder, which has not yet been identified  
4 as an exhibit number in the hearing.

5 MR. REHWINKEL: Yes.

6 MS. HELTON: So it's going to be confidential  
7 class --

8 MR. REHWINKEL: Mr. Chairman, I would ask that  
9 that be given Exhibit 35 for identification.

10 CHAIRMAN CLARK: Okay. Mark it as No. 35.

11 (Whereupon, Exhibit No. 35 was marked for  
12 identification.)

13 CHAIRMAN CLARK: Commissioner Fay --

14 MR. KELLY: I apologize, Mr. Chair, this is  
15 JR. I am on the -- the website for these  
16 documents, and I am trying to open 6C, and it says  
17 the document is damaged. It will not open.

18 CHAIRMAN CLARK: I am not sure that we have it  
19 on the website, do we?

20 MS. HELTON: From the virtual folder, if you  
21 are using Internet Explorer, I had that same issue  
22 yesterday. If you can open it from Chrome, you  
23 will be able to -- you should be able to open it.  
24 And if you can't, try refreshing the website and  
25 doing it again.

1 MR. KELLY: Thank you. I apologize for  
2 interrupting.

3 COMMISSIONER FAY: I had the same issue. It  
4 will log you out if you sit idle for a while too,  
5 it won't open it.

6 Thank you, Mr. Chairman, sorry about the  
7 interruption.

8 CHAIRMAN CLARK: No problem.

9 MR. REHWINKEL: It's okay. We are in a good  
10 spot to be interrupted.

11 THE WITNESS: I have got the document and I  
12 have got it open to that page.

13 BY MR. REHWINKEL:

14 Q Okay. Thank you.

15 115 --

16 A Yes, I am there.

17 Q Okay. So this is a confidential -- well, this  
18 is in a confidential document, and on 116, there is a  
19 yellow highlighted confidential term that I am not going  
20 to ask you about. So I don't want to vocalize that in  
21 any way, is that understood?

22 A Yes.

23 Q Okay. This is a -- in the -- it is the form a  
24 parent guarantee that NorthStar would give -- NorthStar  
25 Group Services, Inc., would give for the benefit of Duke

1 **Energy Florida, LLC; is that right?**

2 A Yes, it is.

3 UNIDENTIFIED SPEAKER: Hold on one minute.

4 MR. REHWINKEL: Oh, I am sorry.

5 CHAIRMAN CLARK: Do we have interference on  
6 the line from someone?

7 All clear? Okay. I am sorry. I am hearing  
8 extra voices.

9 BY MR. REHWINKEL:

10 Q If I could ask you to turn to page 120, or  
11 paragraph 15 of that -- of that parent guarantee form.

12 A That's the page with signature blocks?

13 Q Yes, sir.

14 A Okay.

15 Q Okay. And are you familiar with this  
16 non-recourse provision that is on 120 and carries over  
17 to page 121?

18 A Not specifically, no. I mean, I would point  
19 out this is a 600-page document.

20 Q Yes, sir. But with respect to this  
21 non-recourse provision, are -- are you aware that this  
22 says that Duke cannot seek to enforce the commitments in  
23 the parent guarantee agreement against any of the  
24 non-recourse parties, which I would represent to you are  
25 the investors above NorthStar Group Holdings?

1           A     Well, I mean, we should probably speak  
2 specifically to the plain language you are referring to  
3 and maybe read that into the record.

4           **Q     Okay.  Would you like to do that?**

5           A     No, I -- you are the one that is asking the  
6 question.  I would prefer you are specific as to what  
7 you are asking.

8           **Q     Well, my question to you is whether, for**  
9 **paragraph 15 in the parent guarantee from NorthStar has**  
10 **a provision that prohibits Duke from proceeding in any**  
11 **way against the investors in NorthStar Group Holdings,**  
12 **LLC, from performing any of the obligations under the**  
13 **DSA?**

14          A     Okay.  And, I mean, do you want me to spend  
15 some time and look at this provision and see if I agree  
16 with that?  I mean, on the face of this, this is a  
17 significant paragraph.  It's called "No Recourse."  I  
18 understand that.  But there is specific sub-elements  
19 here that speak to no personal liability, such as  
20 former, current, future equity holders, I think fairly  
21 typical language in agreements of this type that, you  
22 know, that would be part of any structured transaction  
23 like this.

24          **Q     Well, you are -- you are the guy from**  
25 **NorthStar, and I am asking to understand the nature of**

1 the parent guarantee so that the Commission can  
2 understand what it is they are approving with respect to  
3 who has recourse in the event of a default.

4 A The recourse is against the entity operating  
5 or performing on the project, the -- the 75-percent  
6 owner of ADP, the specific operating company, not -- not  
7 to the investor, the operating business.

8 Q Okay. I think you have answered my question.  
9 And I think if there was any doubt about it, that people  
10 reviewing this, they could read and make their own  
11 determination. But that's your understanding, is that  
12 the recourse is only to NorthStar Group Services, Inc.;  
13 is that fair?

14 A The operating corporation --

15 Q Okay.

16 A -- yes.

17 Q And just to avoid doubt, the operating  
18 corporation is NorthStar Group Services, Inc., 75  
19 percent?

20 A Yes.

21 Q Okay.

22 A Yes.

23 Q Without a doubt, Mr. State, NorthStar and its  
24 investors are here before the Commission because you  
25 want to make money, or a profit off of this transaction;

1 **is that fair?**

2 A I would say that it's generally our goal to  
3 make a profit on projects that we conduct.

4 Q Okay. Isn't it also true that you want to  
5 hurry up and get this approved so you can bid on more of  
6 these large prefunded nuclear decommissioning trust D&D  
7 jobs?

8 A I would say no. I would think at this point  
9 we are invited to bid on every project that becomes  
10 available, irrespective of what happens here.

11 Q Well, you are not in a hurry?

12 A I wouldn't say we are in a hurry. I think,  
13 you know, the process, as it evolves, and these  
14 transactions are conducted, they are complicated, and I  
15 think the parties generally need time to understand all  
16 the clips and take. So, you know, we are not in any way  
17 trying to say that this should go any faster than this  
18 commission is comfortable in considering it.

19 Q Okay. Isn't it true that -- that NorthStar  
20 and its investors are interested in doing up to six  
21 jobs -- six of these jobs at a time?

22 A We have represented over the years that we  
23 believe we could conduct up to six of these projects  
24 simultaneously. That's different than saying we are  
25 interested in doing six of these jobs, but we have

1 looked at our operational capacity, our bandwidth, so to  
2 speak, and concluded that, at any given time, we could  
3 be conducting six of these types of projects without  
4 undue stress on our operational framework.

5 **Q So are you staying that you are not interested**  
6 **in doing six, or you are?**

7 A I am saying that -- that we believe we have  
8 the capability at any given time to conduct six of these  
9 projects at once, and, you know, are we interested in  
10 doing six? Yeah, we are interested in doing any project  
11 of this type that -- that, you know, makes sense to us  
12 as a viable opportunity.

13 **Q Could you --**

14 MR. REHWINKEL: Mr. Chairman, I would like to  
15 turn to Exhibit 21, OPC Exhibit 21, and ask that it  
16 be given No. 36.

17 BY MR. REHWINKEL:

18 **Q Do you have 21 with you?**

19 A Can I close these other exhibits? I  
20 apologize. I am not -- I have got one screen dedicated  
21 to these documents, so...

22 **Q Yes. I am going to come back to 13 later on,**  
23 **but you don't need to keep it open.**

24 A Okay. So you want me to go to what? 26?

25 **Q No. 21, which I am asking the Chairman give**



1    **No. 36 to.**

2                   **CHAIRMAN CLARK: And we will number it No. 36.**

3                   **MR. REHWINKEL: Yes. And it's -- the title**  
4                   **would be NEPR Article. That's New England Public**  
5                   **Radio.**

6                   (Whereupon, Exhibit No. 36 was marked for  
7                   identification.)

8    **BY MR. REHWINKEL:**

9                   **Q     This is an article dated October 27, 2019.**  
10                  **Mr. State, are you familiar with this article?**

11                  **A     I don't recall if I saw this or not. I recall**  
12                  **doing an interview with this party, but I am not sure I**  
13                  **saw the media after-the-fact.**

14                  **Q     Okay. Well, I wanted to ask you if you could**  
15                  **turn to page six -- well, first of all, turn to page**  
16                  **three, and I am going to ask you, is that a picture of**  
17                  **you?**

18                  **A     Page three? Yes.**

19                  **Q     Okay. And then on page six, we may see**  
20                  **another picture of you, if that's you there. I don't**  
21                  **know, maybe it's somebody else?**

22                  **A     No. That guy has more hair than me.**

23                  **Q     I feel your pain.**

24                           **NorthStar -- at the top of page six, it says**  
25                           **NorthStar thinks it can handle up to six of these jobs**

1 at a time, moving demolition teams into and out of  
2 reactor sites around the country as specific projects  
3 are completed. Does that -- does that sound like  
4 something that you said publicly?

5 A That would be in line with something I have  
6 said before, yes.

7 Q Okay. What did you mean by moving teams,  
8 demolition teams into and out of reactor sites? What  
9 does -- what does that mean?

10 A Well, when we conduct these projects, we do  
11 things much differently than they have been done in the  
12 past. We -- we break these projects down into several  
13 hundred subprojects, and we simply staff each of those  
14 smaller projects with the best experts we have in our  
15 company, which we've got about 3,500 to 4,000 employees  
16 that specialize in this type of work.

17 So as an example, there is a significant  
18 amount of asbestos abatement that takes place in a  
19 project like this, and we bring in asbestos abatement  
20 experts to do that work. When we are done, we move them  
21 to another site and we bring in a demolition expert that  
22 maybe works on concrete walls, and so as we look at a  
23 project like this, we -- we manage the workforce to the  
24 specific work we are doing, which is quite different  
25 than has been done in the past, when -- when owners have

1 typically contracted with various parties to come do  
2 pieces of the project and then a different party comes  
3 and does a different piece. We simply own and maintain  
4 all of the staff, equipment, personnel needed to do the  
5 entire project, and we -- we bring people as they are  
6 needed.

7 **Q Okay. Do you move people -- do you move**  
8 **people back and forth depending on whether you have,**  
9 **like, a lull in the job, or a problem, or people are**  
10 **idle, you are going to send them to another place so**  
11 **that they don't have any idle time?**

12 **A** No. We -- we manage our workforce with about  
13 a 90-day look ahead, and we rarely, if ever, have staff  
14 that are underutilized, you know, all -- all throughout  
15 the last many years, we've had basically zero  
16 non-utilized labor, and -- and we know how long it takes  
17 to do work. And when we schedule a team in to do a  
18 project, we've got them scheduled to go somewhere else  
19 after that, and that's really how we -- we are able to  
20 attract and -- and keep the best talent in the  
21 demolition industry, is we have always got work on  
22 typically the largest and most complex projects in the  
23 country.

24 **Q On the next -- on page seven of this article,**  
25 **near the end of -- of the article, I guess the next to**

1 **the last sentence, it says: NorthStar says Vermont**  
2 **Yankee decommissioning is three or four years ahead of**  
3 **schedule. Is that -- is that the case?**

4 A The -- yeah, you have to, I think, understand  
5 the way this project is -- is scheduled in terms of how  
6 the state views it and how we viewed it.

7 We represented that we would finish the  
8 project by 2030, and -- and gave a target from the very  
9 beginning of -- of being done in 2026. So that's the, I  
10 think, three to four years that's being referred to  
11 there. In fact, you know, we are currently tracking  
12 ahead of our 2026 target substantially as well.

13 **Q You are 18 months into the job?**

14 A We are approximately 18 months into full  
15 production on the job, but we -- we initiated certain  
16 work about a year ahead of that. So I would say we are  
17 more like 30 months into the job.

18 **Q Okay. And the four -- the three to four**  
19 **years, that was already baked into the Vermont order,**  
20 **they had the 2026 timeframe already acknowledged in the**  
21 **order, right?**

22 A I don't recall specifically what -- how 2026  
23 was represented. I think it may have been represented  
24 as a target with a not later than 2030 as sort of a  
25 guaranteed outside date.

1           Q     Okay. On the prior page, page six, under the  
2 picture there, there is a quote that it purports to have  
3 from you. It says: I don't want to downplay the  
4 significance, but day-to-day work for us, this is  
5 typically the kinds of things we are doing at hundreds  
6 of sites around the country, State said. There is  
7 nothing different about it. We are not working on sites  
8 with radiological contamination every day, but it's just  
9 another one of many hazards we plan for when we do our  
10 work. Does that look accurate?

11           A     Yes.

12           Q     Okay. Are you saying there that radiation  
13 hazards are no different than any other kind of hazard,  
14 it's just --

15           A     Every hazard is -- you know, there are many  
16 types of hazards, and I would say no hazard is -- hazard  
17 in our working environment is necessarily more important  
18 than any other hazard. Our -- our specific approach to  
19 work is that we have what's called target zero, and  
20 that's, you know, no injuries, no exposures, certainly  
21 no releases to the public, and that's precisely how we  
22 do our work.

23                     So, you know, radiation exposure is time,  
24 shielding and distance. Chemical exposures a lot of  
25 times are contact oriented. Asbestos exposures, you

1 know, are -- are respiratory related. So we have a  
2 very, very, very deep history of managing health and  
3 safety to account for any type of hazard that we might  
4 encounter in any project.

5 Q And on page three, under the picture of you,  
6 there is -- there are a couple of paragraphs there that  
7 mention you and quote you. One says: Scott State is  
8 CEO of NorthStar. He is well aware of how much is  
9 riding on what happened in Vernon. That's where Vermont  
10 Yankee is, right?

11 A Yes, that is.

12 Q And the quote is: If you don't get the first  
13 one right, you don't get the next one, State said. And  
14 its important that we demonstrate for the entire  
15 industry that these plants can be retired, that, you  
16 know, that they are plants that ran a long time,  
17 generated a lot of energy, but ultimately they have to  
18 be removed. Is that accurate?

19 A Yes.

20 Q Okay. So is it fair to say that what you are  
21 doing in Vermont, you are kind of extra careful to make  
22 sure that there are no mistakes, and that you  
23 demonstrate that you are on schedule?

24 A I wouldn't say -- I wouldn't characterize it  
25 as extra careful. I think, you know, specifically the

1 way we look at this is the way we would look at any  
2 significant project, and if you don't do the work right,  
3 you don't get invited to do future projects of that  
4 type.

5 **Q Is it important to you that the Florida Public**  
6 **Service Commission see what you are doing in Vermont and**  
7 **take note of -- of it?**

8 A I -- I think it's helpful to us certainly that  
9 we performed well in Vermont. You know, the Public  
10 Service Commission from Florida would be welcome to come  
11 and see what we are doing in Vermont if they thought  
12 that was important as part of this review. We've got a  
13 lot of pride in the work that we are doing there.

14 COMMISSIONER BROWN: Mr. Chairman, can I  
15 volunteer for that?

16 MR. REHWINKEL: Why don't you go up there in  
17 the winter.

18 BY MR. REHWINKEL:

19 **Q Mr. Adix works for you, right?**

20 A Yes, he does.

21 **Q Now, I know he is a rebuttal witness, and we**  
22 **will see if your attorney has any problem with me asking**  
23 **you this question, but in his testimony, he says you are**  
24 **on schedule, doesn't he?**

25 A I don't recall. I -- I sat in on his

1 deposition, but I -- I don't recall specifically if that  
2 came up.

3 Q Okay. So in his testimony, did he have to  
4 clear what he said in his testimony with you?

5 A No.

6 Q Okay. So would he be able to independently  
7 say whether -- where your schedule status was?

8 A I doubt it. The -- you know, the projects  
9 themselves have -- as I said, we've got 900 plus  
10 individual little subprojects on that particular  
11 program, and we are, you know, generally on schedule  
12 with all of them and -- and quite a ways ahead of  
13 schedule with a number of the little sub-elements.

14 Q Well, a year ago, you knocked down a couple of  
15 mechanical draft cooling towers, right, at Vermont  
16 Yankee?

17 A We took down the cooling towers about a year  
18 ago, I believe.

19 Q Okay. Now, those are not contaminated  
20 structures, right?

21 A No, they are not.

22 Q They are located far away from -- well,  
23 relatively far a way from the actual reactor vessel and  
24 containment building, right?

25 A They are several hundred yards away.



1           Q     Okay. I should say they were. They are gone  
2 now, right?

3           A     They are gone.

4           Q     Okay. So isn't it true that -- that you told  
5 the media after you did that that you were six months  
6 ahead of schedule for the exterior work at the site?

7           A     Yeah. That was a project that had been  
8 scheduled for about six months after we actually  
9 conducted that work.

10          Q     Okay. Isn't it also true that you don't have  
11 to follow a particular schedule -- you don't have a  
12 rigid schedule that you have to follow a certain  
13 sequence of your -- your deconstruction or demolition  
14 work?

15          A     We have a resource loaded schedule. We have a  
16 critical path, and just like any project, you know, when  
17 we see opportunities to accelerate work, we do; but this  
18 work is scheduled from day one to six years later  
19 completion before we ever get started.

20          Q     But you can change the order to suit your  
21 business needs, can is you not?

22          A     Somewhat, we can bring elements of the project  
23 forward if -- if we see an opportunity to get some piece  
24 of the work done early, you know, there is a general  
25 level of flexibility, and that flexibility is important

1 to the way we propose on these types of projects.

2 **Q Haven't you said that many of the tasks in the**  
3 **project need not occur in a particular order? In other**  
4 **words, there is not just one possible critical path to**  
5 **completion, but multiple paths?**

6 A Yeah, certainly there can be. And, you know,  
7 a lot of our work, there is just one critical path  
8 because it's doing the same activity over and over, you  
9 know. We are taking down a 700-foot 54-story --  
10 54-story highrise in Manhattan. Critical path there is  
11 each floor has to come down from the top to the bottom.  
12 You can't do a lower floor before you do a higher floor.

13 In a nuclear plant, you have a number of  
14 structures, and a number of different types of work.  
15 And so, you know, you can conduct different work, you  
16 know, with some level of flexibility, but there are  
17 certainly certain things that you cannot do before other  
18 things. There are hard critical path elements.

19 **Q Isn't it true that if you had a delay in**  
20 **Vermont, for whatever reason that was unanticipated,**  
21 **that you could redeploy the folks that were sidelined in**  
22 **Vermont, say, to Crystal River, assuming that you were**  
23 **in the process of doing the Crystal River job?**

24 A We could, and we could deploy them anywhere in  
25 the company. They are -- they are not specifically just

1 people that can work on nuclear plants.

2 Q I think you said 3,400 to 4,000 personnel that  
3 you had. Did you mean just NorthStar, or did that  
4 include the Orano people?

5 A That's just NorthStar. Our -- our employment  
6 varies, as you might imagine, significantly by season  
7 and by what kinds of projects we have going, that sort  
8 of thing. So any of given day, the numbers, they don't  
9 stay the same every day.

10 Q You mentioned the building in New York City.  
11 Is that the J.P. Morgan building?

12 A Yes, it is.

13 Q Is that your largest job ever before you get  
14 into the nuclear space, like the Vermont Yankee --

15 A I -- I don't know if it is. We also just  
16 recently took a contract to take out a 1,300 acre  
17 refinery in Philadelphia that's actually a little bit  
18 larger, I believe, than the J.P. Morgan project.

19 Q Are you the contractor or the subcontractor on  
20 the J.P. Morgan job?

21 A We -- the contractor is AECOM, who are the  
22 contractor that's been selected to build the new  
23 building. We are the contractor for demolition. There  
24 is nobody between us and AECOM Tishman.

25 Q Okay. In terms of revenue, is that the

1 **biggest job you have ever had?**

2 A I don't know. It's one of the top two or  
3 three, I would guess, but I don't -- I -- specifically  
4 I -- I believe back in history there is jobs of similar  
5 size.

6 Q All right. Now, is it true that people  
7 working on the Vermont Yankee job could also work on --  
8 go downtown in New York and work on -- on that Park  
9 Avenue job?

10 A Probably not.

11 Q Okay. Would you agree with me that the  
12 Commission should be interested in the overall  
13 experience of NorthStar --

14 A Yes.

15 Q -- in terms of its consideration of this  
16 proposal?

17 A Yes.

18 Q And you would agree that your past experience  
19 is relevant?

20 A Yes.

21 Q Is it also true that the Commission should be  
22 concerned about decommissioning jobs in general, and  
23 whether they encounter problems or had budget overruns?

24 A I am not sure I understand. I thought we were  
25 talking about Crystal River.

1           **Q     Yeah, should the Commission have a concern**  
2 **that earlier decommissioning jobs went over budget?**

3           A     I think it's -- it's -- yeah. I think it's  
4 important to understand the evolution of -- of the  
5 decommissioning of nuclear plants, and I think, you  
6 know, specifically that -- that leads you to why Duke  
7 elected to take the path they did and -- and bring a  
8 decommissioning expert to the -- to the project  
9 directly. I think that's been kind of an evolution in  
10 the entire industry, and we've been the leader in doing  
11 that.

12           **Q     Do you have exhibit -- OPC Exhibit 3?**

13           MR. REHWINKEL: And, Mr. Chairman, I would  
14 identify this as exhibit -- ask you to identify  
15 this, and I think it's Exhibit 37.

16           CHAIRMAN CLARK: Okay. Mark it No. 37.

17           MR. REHWINKEL: And the short title is  
18 Investors See Huge Profits.

19           THE WITNESS: Okay.

20           (Whereupon, Exhibit No. 37 was marked for  
21 identification.)

22 BY MR. REHWINKEL:

23           **Q     Okay. Do you have that exhibit with you?**

24           A     I have opened it, yes.

25           **Q     Okay. This is a northjersey.com USA Today**

1 article dated June 19th, 2019. Are you somewhat  
2 familiar with this article?

3 A I -- I believe -- yeah, I believe I gave an  
4 interview to this reporter, or maybe someone affiliated  
5 with this news service.

6 Q Okay. So I am looking at page two of this  
7 article, and the headline is: Investors see huge  
8 profits from old nuclear plants, but it could cost  
9 taxpayers. Is that -- did I read that right?

10 A I think that's what it says.

11 Q Okay.

12 A Yeah.

13 Q Do you agree with the first sentence in here  
14 that says: Some of the nation's richest investors are  
15 betting they see profit where no one else does, tearing  
16 down America's aging nuclear reactors?

17 A I would say no.

18 Q Well, if the next sentence refers to a John  
19 Lehman of J.F. Lehman & Company, you -- you don't think  
20 he represents some of the nation's richest investors?

21 A I would say no.

22 Q Okay. Do you agree with the fourth paragraph  
23 that starts: But an examination of deals made by the  
24 hedge fund since 2017 to raise money and acquire firms  
25 makes it clear the company sees a pot of gold for the

1 taking, some \$60 billion accumulating in trust funds  
2 controlled by nuclear plants, all of it bankrolled by  
3 ratepayers. Do you think that's wrong?

4 A I do think that's wrong.

5 Q If you took out hedge fund and put equity  
6 investors, would it still be wrong?

7 A I -- certainly hedge fund is not correct  
8 because they are not a hedge fund. And I don't know  
9 where the rest of these numbers come from, the  
10 60 billion -- I guess 60 billion probably is  
11 accumulating, but the number of plants being  
12 decommissioned is far different than what that headline  
13 number might suggest today.

14 Q Okay. Are you familiar with Daryl Walcroft  
15 from PWC?

16 A No, don't know who he is.

17 Q Okay. Did you take somebody from DWC to your  
18 first meeting with the NRC back in January of 2017?

19 A From PWC?

20 Q Yes.

21 A I don't believe so.

22 Q So if I read a meeting notice for January 24,  
23 2017, where NorthStar and Entergy went to the NRC, and  
24 it said there was a PWC person with you, would that have  
25 been a mistake?

1           A     I don't know. Can -- read me the meeting  
2 notice. I just don't recall anybody from PWC  
3 representing NorthStar at any meeting with the NRC.  
4 Maybe they were representing Entergy. I don't know.

5           Q     Okay. All right. That -- that may be fair.

6                     Let's turn to page two of this article, and I  
7 want to ask you if you agree or disagree with the second  
8 paragraph that says: Past projects blew their budgets  
9 by up to half a billion -- up to half a billion dollars,  
10 forcing ratepayers to cover the costs. Do you know  
11 anything about that?

12          A     I don't know if that's an accurate assessment.  
13 I -- I do know that early projects done in the '90s, you  
14 know, 20 plus years ago, overran their budgets, but I --  
15 I couldn't testify as to how much.

16          Q     Okay. You are quoted in the middle of the  
17 page, similar to what you just said: I would say all of  
18 the early projects went over budget, said Scott State,  
19 CEO of Northstar Group, a company that deconstructs  
20 buildings. Is that accurate?

21          A     Yes.

22          Q     Okay. Do you think the Public Service  
23 Commission should be concerned that in a -- in a past  
24 generation of decommissionings, there were budget  
25 exceedances?



1           A     I think that the, you know, the Commission  
2     should be inquisitive about that, and -- and what the  
3     difference is in the way projects are being conducted  
4     today versus the way they would have been done two  
5     decades ago.

6           **Q     Do you know who Tom LaGuardia is?**

7           A     I do know who he is.

8           **Q     Do you agree with his statement down below**  
9     **yours, where it says: They are taking on a big risk**  
10    **that they can do a big job?**

11          A     No, I think Tom LaGuardia is one of the  
12    individuals that was involved 20 years ago when these  
13    projects really didn't go very well. And I would say he  
14    is really not in touch with reality today as to how  
15    these projects get done.

16          **Q     So you filed some cost studies of his up in**  
17    **Vermont as part of your prefiled testimony, did you not?**

18          A     I don't know. I -- I don't recall.

19          **Q     Well, let's look at Exhibit 12.**

20          A     Charles, are you referring to a cost study by  
21    TLG?

22          **Q     Yes.**

23          A     Okay, that's not Tom LaGuardia. That's --  
24    that's -- it used to be Thomas L. LaGuardia, Inc., or  
25    whatever. Entergy bought that company probably a decade

1 ago. It's actually Entergy --

2 Q Okay.

3 A -- not Tom LaGuardia.

4 Q He doesn't have anything to do with TLG?

5 A Not that I know. I -- you know, I met the man  
6 once many years ago, and he sold that business long  
7 before that.

8 Q Okay. I appreciate your clarification. Thank  
9 you.

10 Do you think the Florida Public Service  
11 Commission should understand your qualifications and  
12 specific experience in order to approve your ability, or  
13 your company's ability to access the nuclear  
14 decommissioning trust fund?

15 A When you say your, are you saying me  
16 personally, or the company?

17 Q Well, I am saying both, I guess. That's a  
18 good request. Let me ask it both ways.

19 Do you think -- would you agree that the  
20 Florida Public Service Commission should understand  
21 Scott State's qualifications and experience in order to  
22 approve NorthStar's ability to access the nuclear  
23 decommissioning trust fund?

24 A I -- generally, I would say yes. I am not  
25 sure about the statement about accessing the

1 decommissioning trust fund, because we specifically  
2 aren't doing that. We are decommissioning the nuclear  
3 power plant.

4           But the technical -- my technical background,  
5 my work experience, I think, is all relevant to, you  
6 know, the project, because I -- you know, you have seen  
7 my picture. I'm -- I am on these sites. I don't just  
8 sign them up and hope they go well.

9           **Q     So if I asked the same question but instead of**  
10 **saying access the NDT I said received payment from it,**  
11 **your answer would be as you just gave it?**

12          A     Yes. Well, you know, we are going to receive  
13 payment from Duke, and Duke presumably takes the money  
14 out of the NDT. And I understand your distinction  
15 between the two, I guess, but, you know, for us, we have  
16 a contract with Duke, and the payment source happens to  
17 be the NDT. That has some relevance to us, because we  
18 know the project is prefunded. We aren't taking credit  
19 risk with our counter-party, but beyond that, we simply  
20 want to do the work and make sure we get paid for the  
21 work we do.

22          **Q     And if I asked you the same question, but**  
23 **instead of you, I said NorthStar as a company, your**  
24 **answer would be the same?**

25          A     Again, I would say North -- yes, certainly for

1 NorthStar. And I would extend that also to ADP, which  
2 brings in the additional resources and assets of Orano,  
3 which is the largest nuclear service business in the  
4 world.

5 **Q Would you also agree that the Florida**  
6 **commission should also understand the financial ability**  
7 **of your company to implement and fully execute the plan**  
8 **that you and Duke are bringing to the Commission?**

9 A I think the Commission should understand our  
10 ability to execute on the work at the, you know, at the  
11 assumed costs, or estimated costs that we put forward,  
12 or the price we put on the project.

13 I think the ultimate, you know, success or  
14 failure here is that the project gets done with the  
15 resources that we've agreed to take to do it, and no  
16 more than that. I think that's what everybody wants to  
17 see here, is if this is, indeed, approved, that it ends  
18 up being exactly the way we said it would work when we  
19 sat here today and talked about it.

20 **Q But my question was about your financial**  
21 **ability, and to me, and maybe you didn't intend do this,**  
22 **to me, you kind of dodged that. You said -- did I**  
23 **misunderstand you?**

24 A No. I -- I just -- I didn't know I was  
25 speaking to the finances of the company. My testimony,

1 I thought, had been more specific to kind of the  
2 technical aspects, and I thought Mr. Adix was the one  
3 you had deposed on that. But -- but, you know, be that  
4 as it may, you know, we certainly have to have the --  
5 the financial wherewithal to do the project. And, you  
6 know, that really lies in our ability to execute the  
7 work at the cost we think it -- it will be at.  
8 Certainty of that cost -- we really focus our efforts on  
9 understanding costs, and we understand costs and it's a  
10 matter of, you know, allocating appropriate working  
11 capital and the projects get done.

12 CHAIRMAN CLARK: Mr. Rehwinkel, let me just  
13 interrupt for two seconds. How much longer do you  
14 anticipate questioning Mr. State? I want to take a  
15 break and give our court reporter a break.

16 MR. REHWINKEL: I have significant additional  
17 questions. I need a break myself.

18 CHAIRMAN CLARK: Okay. All right. We are  
19 going to take -- we are going to take a 10-minute  
20 recess.

21 Just so you all can plan accordingly, we are  
22 probably going to recess for the day around 5:30  
23 Eastern Time. That is my plan right now, unless we  
24 are really, really close to Mr. Rehwinkel wrapping  
25 up with the witness, or if he has already wrapped

1 up and get do an easy concluding point, that's kind  
2 of my goal, is to get out of here somewhere in the  
3 5:30 range.

4 So let's take a 10-minute recess and back here  
5 at 4:10.

6 MR. REHWINKEL: Thank you.

7 (Brief recess.)

8 CHAIRMAN CLARK: Okay. Looks like all of the  
9 essential players are back. Mr. Rehwinkel, you may  
10 resume.

11 MR. REHWINKEL: Thank you, Mr. Chairman.

12 Okay.

13 BY MR. REHWINKEL:

14 Q Okay, Mr. State, if I could get you to turn to  
15 page three of your testimony, and take you down to lines  
16 15 through 17.

17 A Okay. You are talking about my prefiled  
18 testimony?

19 Q Yes, sir.

20 A Okay. Is that an exhibit or -- I have got a  
21 hard copy that I think matches the --

22 Q Oh, no. It's not -- it's not one of my  
23 exhibits, no.

24 A Okay. All right.

25 Q Are you their?

1 A Okay. Yeah.

2 Q All right. On line 17 -- well, it says:  
3 Please summarize why ADP is able to accomplish  
4 decommissioning and site restoration of the CR3 facility  
5 earlier than DEF. Did I read that right?

6 A Yes.

7 Q And it says -- it used the phrase "are able to  
8 accomplish". Doesn't that suggest -- I mean, that's  
9 nonsensical in the sense that you haven't done it,  
10 right?

11 A Well, I mean, maybe you want to say capable.  
12 I don't know.

13 Q Okay. So you are saying you will be able to  
14 accomplish it maybe, is that right?

15 A Yeah. Yes.

16 Q Okay. Now, you state, on line 21 there, that  
17 APD Group has substantial expertise; is that right?

18 A Yes -- well, it says: Due to its substantial  
19 expertise, the APD Group, is that what you are referring  
20 to.

21 Q Yes, sir.

22 A Okay.

23 Q Is expertise different from experience?

24 A I think they go hand in hand. I mean,  
25 expertise is the ability to execute, and experience, you

1 know, leads you to better execution if you have got good  
2 experience.

3 Q Okay. On page four, at the top there on-line  
4 one, you use the phrase "will complete."

5 A Yes.

6 Q Okay. You are again saying this is -- it's  
7 your intent to do this, but you don't know if you will  
8 actually complete it. You can't see into the future,  
9 right?

10 A Well, if you read the whole sentence, it says:  
11 Will complete most decommissioning activities without  
12 the use of outside contractors.

13 So I think, you know, the modifier there is  
14 that this is talking about how we aren't going to use  
15 outside contractors. Not that that we will complete it.

16 Q Okay. And you testify that APD Group's entire  
17 business is focused on large-scale demolition and  
18 environmental remediation, such as nuclear  
19 decommissioning, down there back on page three, line 17  
20 to 20?

21 A Okay.

22 Q And would you say ADP Group, you are talking  
23 about NorthStar and Orano that are working on Vermont  
24 Yankee and want to work on CR3?

25 A It's, you know, APD was a joint venture



1     actuary formed specifically to do what I indicate we do,  
2     which is we take down large-scale facilities,  
3     predominantly nuclear power plants, but it could be  
4     other nuclear fuel cycled related opportunities. For  
5     example, we recently jointly won a project for the  
6     Department of Energy, which would be nuclear as well,  
7     you know, another large-scale type project.

8           **Q     But right now, the only project APD Group is**  
9     **working on is Vermont Yankee?**

10           A     No, APD Group is not working on Vermont  
11     Yankee. NorthStar is the contractor and Orano is the  
12     subcontractor.

13           **Q     Okay. So what is ADP Group working on?**

14           A     ADP Group was formed specifically to -- to  
15     bring a joint venture together of Orano's and  
16     NorthStar's assets specific to this market sector. So  
17     specifically, we've got this project I just mentioned  
18     for the Department of Energy, and we are pursuing other  
19     decommissioning projects of nuclear power plants, and  
20     Crystal River is the -- the first project that we've  
21     taken through the NRC approval process.

22           **Q     So are you actually working on the DOE project**  
23     **or you have been awarded it?**

24           A     We have been awarded.

25           **Q     Okay. So right now, ADP doesn't have any**

1 **actual experience yet?**

2 A The members of APD are working in precisely  
3 the same roles that they would work at Crystal River.  
4 It was just not a formal joint venture that was in place  
5 when we executed on Vermont Yankee. It was -- you know,  
6 as you know, structuring these kinds of corporate things  
7 takes a bit of time, and it was not available to us when  
8 we pursued Vermont Yankee.

9 Q Okay. APD was created in 2018?

10 A Right. I believe that's right.

11 Q When I say created, I mean formed, the joint  
12 venture.

13 A Yeah.

14 Q Okay. On page five, line 20, you -- there is  
15 a question that says: What specific experience does  
16 NorthStar have in the nuclear sector? Do you see that?

17 A I do.

18 Q And in the answer to that question, it goes  
19 from line 20 page five to line 17 on page six. At line  
20 two, you used the phrase "substantial decommissioning  
21 experience of the ADP Group." Do you see that?

22 A Yes.

23 Q Okay. I don't want to -- I have only asked  
24 you about a piece of that. But it seems to me that you  
25 are asking the Commission to consider that the ADP Group

1 has substantial decommissioning experience in the  
2 nuclear sector. Is that a -- is that fair, or am I  
3 twisting your words?

4 A The -- the ADP Group and the members, the two  
5 parties that form that joint venture absolutely have  
6 very, very significant experience in decommissioning  
7 activities specific to the nuclear space.

8 Q Okay. And you say that substantial  
9 decommissioning experience makes APD uniquely qualified  
10 to perform the accelerated decommissioning for the CR3  
11 facility; is that true?

12 A Yes.

13 Q You want the Commission to rely on that?

14 A I -- I wanted Duke to rely on that, and it was  
15 part of them selecting us, you know, to be the  
16 counter-party.

17 Q Do you want the Commission to rely on that  
18 experience in making their decision?

19 A I think it's -- I think it's relevant for the  
20 Commission to certainly consider that experience.

21 Q Isn't it true that NorthStar has very little  
22 experience in decontaminating and dismantling large  
23 nuclear reactors?

24 A We've worked on half a dozen large reactors.  
25 We have decommissioned, from start to finish, five

1 university research reactors. And on the DOE side,  
2 our -- our team has done a number of significant  
3 facilities in the DOE weapons complex.

4 Q So on page five, line 23, that sentence that  
5 we talked about a little bit. It says: The similar  
6 scale and complexity of the nuclear decommissioning  
7 project for Vermont Yankee, in addition to the  
8 substantial decommissioning experience of the ADP Group  
9 make ADP uniquely qualified to perform the accelerated  
10 decommissioning for the CR3 facility. Did I read that  
11 right?

12 A Yes.

13 Q Okay. So what I am trying to understand is  
14 the reference to Vermont Yankee. I thought you told me  
15 it's not ADP Group that's working on Vermont Yankee,  
16 it's -- it's NorthStar with Orano.

17 A It's the APD owners.

18 Q How would the Commission know what your  
19 experience has been at Vermont Yankee, this Florida  
20 Commission?

21 A The Florida Commission could look at any one  
22 of dozens of reports that have been issued part of the  
23 citizens advisory panel. We make presentations every  
24 quarter, roughly, of all of the progress we've made  
25 there. All of our cost data is reported. Our safety

1 data is report. All of the work that we've done with  
2 the -- on the environmental and non-radiological sides  
3 reported.

4 I saw it videotaped. There is hundreds of  
5 hours probably of video at this point that document  
6 precisely what we've done from three years ago when we  
7 initially were looking at the project through today,  
8 where we document our performance on a regular basis.

9 **Q And that's all made available to the Vermont**  
10 **Commission?**

11 A That's all made available to the public.

12 **Q Will you do the same thing at CR3?**

13 A We have a program where we provide through  
14 citizens advisory panels, you know, precisely that type  
15 of information. There is updates on a regular basis.  
16 There is a website you can go to to get information.  
17 You know, it's our expectation that we would do a very  
18 similar approach tailored to the needs of the  
19 constituents. You know, we -- we want to provide what  
20 people need to know.

21 **Q Okay. So I was asking about the CR3 project**  
22 **specifically, and you are saying you are going to do the**  
23 **same thing in Florida that you are -- you are doing in**  
24 **Vermont?**

25 A You have to understand a couple of

1 differences.

2           Number one, we own the facility in Vermont.  
3 And while we are not a utility, we deal directly with  
4 the State, because that was a regulated facility by the  
5 State. So there is a nexus directly to the state as a  
6 result of our ownership of the facility, sole ownership  
7 of the facility.

8           The other differences, the citizens advisory  
9 panel in Vermont has been very active since early days,  
10 and has worked to define a charter and a scope, and we  
11 work directly with them. And, you know, I would invite  
12 you to talk to the head of the citizens advisory panel  
13 there and ask them what type of counter-party we've been  
14 and, you know, member of their community.

15           But there are some differences between the two  
16 situations, and, you know, this is still a Duke owned  
17 facility. It's a APD operated facility under the  
18 decommissioning approach that -- that we are -- we are  
19 working on here.

20           **Q     Is there an independent monitor in Vermont?**

21           A     We don't have an independent monitor that, you  
22 know, is directly involved with us in Vermont.

23           MR. REHWINKEL: Mr. Chairman, I would like to  
24 ask that another exhibit be identified, and this is  
25 No. 1, OPC No. 1, which I guess would be 38.

1 CHAIRMAN CLARK: Okay. OPC Exhibit No. 1 we  
2 will mark as Commission Exhibit 38.

3 (Whereupon, Exhibit No. 38 was marked for  
4 identification.)

5 MR. REHWINKEL: And I think I am calling that  
6 Vermont Order 8880.

7 CHAIRMAN CLARK: Yes, sir.

8 BY MR. REHWINKEL:

9 Q So you are familiar with this order, are you  
10 not, Mr. State?

11 A Yes.

12 Q Okay. And do you have it up on your screen  
13 yet?

14 A I do. I have got it, yes.

15 Q Okay. Let me ask you, if you would, turn  
16 to -- I am going to ask you Bates numbers, which is  
17 Bates number 30, but it's also page 30 of the order.

18 A Okay. I am there.

19 Q Okay. And do you see paragraph 112 at the  
20 bottom there?

21 A Yes.

22 Q All right. And it says the DPS, ANR and VDH  
23 may retain advisors pursuant to 30 DSA, sections 20 and  
24 21, and applicable State contracting procedures in  
25 support of the review processes established in the MOU.

1 Did I read that somewhat right?

2 A Yes.

3 Q Okay. Now, the MOU is the settlement that you  
4 entered into with a bunch of parties, including the  
5 Department of, I think it's Public Safety, et cetera,  
6 that were intervenors in the parties -- in the case, is  
7 that right?

8 A The MOU is the document that -- that developed  
9 the agreement that we had with all of the intervenors in  
10 the case except, I believe, one.

11 Q Right. Okay. So the -- did the Commission,  
12 or did somebody with ability to retain advisors that  
13 have a role in reviewing the process in Vermont?

14 A I believe the State has access to advisors  
15 that they use that review the reports that we submit to  
16 the State.

17 Q Okay. Can you turn to page 40 of this same  
18 exhibit? And do you see a little further -- a little  
19 more than halfway down there is a sentence that starts  
20 "we emphasize?"

21 A Yes.

22 Q It says: We emphasize the importance of the  
23 post-closing oversight activities by the relevant State  
24 agencies in mitigating risks to the State related to  
25 funding adequacy. In addition to other measures that



1 have the potential to mitigate post-closing risks,  
2 NorthStar will be providing monthly summaries of all  
3 expenditures at the site, informative and detailed  
4 annual certifications regarding the plant -- the  
5 project's progress, and prompt notification of material  
6 developments affecting NorthStar or the product -- or  
7 the project. Did I read that right?

8 A Yes.

9 Q Does that describe an independent monitor or  
10 oversight process that's in the -- contemplated in the  
11 MOU?

12 A Well, you described it as an independent  
13 monitor, and I -- that's not how it's described in the  
14 MOU. But what that describes is the relevant  
15 information that we agreed to provide the State, and the  
16 prior section we looked at discussed the -- the ability  
17 of the State to retain consultants or advisors to help  
18 them evaluate materials that we -- we deliver to them.

19 Q Did they do so? Did they retain an advisor or  
20 advisors?

21 A I -- I think they have some consultants, but,  
22 you know, for example, split samples and things that are  
23 done under the environmental scope, I am not -- I am not  
24 familiar with specifically who the State might have  
25 working for them.

1           Q     Okay.  The monthly reports that they mention  
2     in here, are -- are you providing those to the  
3     Commission?

4           A     Yes.

5           Q     Are you -- would you be providing monthly  
6     reports like these to the Commission in Florida under  
7     the current arrangement that you have with Duke?

8           A     We -- we provide reports to Duke.  I am not  
9     sure what Duke has committed to provide to the  
10    Commission.

11          Q     Okay.  This sentence -- or this paragraph  
12    continues:  The State agencies will also have  
13    significant rights in overseeing the project, including  
14    the right to inspect books and records, to access the  
15    site, and to object to disbursements from certain  
16    funding sources.  Given the importance of project  
17    oversight by the State agencies, we trust that the State  
18    agencies will retain appropriate resources, devote the  
19    necessary time and attention, and constructively manage  
20    and coordinate their efforts to ensure that the  
21    available tools are effectively used in accordance with  
22    the interests of Vermont.

23                    Did I read that right?

24          A     Yes.

25          Q     Okay.  If you could turn back to page 70 of

1 Exhibit 38. And this is where the MOU starts, is that  
2 right?

3 A Yes.

4 Q Okay. And this MOU was adopted by the  
5 order -- by order -- this order after a hearing, is it  
6 that right?

7 A Yes.

8 Q Okay. And isn't it true that in Vermont, you  
9 filed the -- in December of -- of 2016, and this order  
10 came out in December of 2018; is that right?

11 A I -- I don't know the dates. I will take you  
12 at your word.

13 Q Okay. And so -- okay. If you could turn to  
14 page 75 of this exhibit.

15 A Okay.

16 Q And you see paragraph F there?

17 A Yes.

18 Q Says: NorthStar shall provide to DPS, ANR and  
19 AGO monthly summaries of all expenditures at the site.  
20 These agencies -- those agencies shall be permitted  
21 access to and shall have the right to inspect those  
22 expenditures and the books of NorthStar Group Holdings,  
23 LLC, NorthStar Group Services, Inc., and NorthStar VY at  
24 all reasonable times and at reasonable intervals; is  
25 that right?

1 A Yes.

2 Q Okay. Is this a process that -- that you have  
3 agreed to in Florida?

4 A I am -- can you be more specific? Agreed to  
5 with Duke or with who?

6 Q Well, with Duke.

7 A I -- I don't recall, you know, the very  
8 specific provision that would mirror this with Duke,  
9 but, you know, they have certainly certain rights that  
10 we -- we've provided, but we can go to those -- the  
11 document, the decommissioning services agreement if you  
12 would like and find a parallel provision and compare.

13 Q Well, you -- you definitely don't have an  
14 arrangement to provide this kind of information to the  
15 State of Florida, do you?

16 A No.

17 Q Okay. And then on page 86 of -- of this  
18 exhibit, if I could get you to turn there and look at  
19 paragraph 10.

20 A Okay.

21 Q And it says there: DPS, ANR and DVH reserve  
22 all rights to retain advisors pursuant to applicable  
23 State of Vermont contracting procedures in support of  
24 the review processes identified in this MOU, including,  
25 without limitation, pursuant to 30 V.S.A. and section 20

1 and 21 as related to retention of external financial  
2 accounting assistance in support of the financial  
3 reviews provided for herein.

4 Did I read that right, that sentence?

5 A Yes.

6 Q And this is part of -- I call it an  
7 independent monitor. It's independent or -- or  
8 third-party from you, so that's what I mean, but  
9 whatever you want to call it, that's where this outside  
10 reviewer right is incorporated in the MOU; is that fair?

11 A I think I understand what you are saying, and  
12 I believe that's correct.

13 Q Okay. Turn back, if you would, to para --  
14 page 43 of this Exhibit 38.

15 A Okay.

16 Q Now, I believe you may know more about this  
17 than I do, but my understanding is that Vermont has a  
18 standard in reviewing the types of transaction that is  
19 embodied in paragraph -- in Order 8880 about a fair  
20 partner with the State of Vermont. Do you -- do you  
21 understand what that means?

22 A Well, I understand the general concept. I am  
23 not a lawyer, so I don't know if that's considered a  
24 legal term or -- or not.

25 Q Okay. Are you familiar with this provision C

1 about a fair partner, and what they said about  
2 NorthStar?

3 A I am generally familiar. I am not deeply  
4 familiar with it.

5 Q Well, if you look at the inset under -- on  
6 page 43 of this section, it says: NorthStar's conduct  
7 during this proceeding -- specifically, its willingness  
8 to engage in thoughtful discussions and negotiations and  
9 reach compromise on MOU -- supports a finding pursuant  
10 to that standard that NorthStar will operate as a fair  
11 partner to the State of Vermont.

12 I will admit the citations: NorthStar  
13 actively participated in numerous meetings, both public  
14 and directly with parties and intervenors to hear and  
15 respond to concerns. NorthStar's responsiveness to  
16 those concerns, both during MOU negotiations and through  
17 future commitments, demonstrates a dedication to serve  
18 as a fair partner to the State.

19 Did I read that right?

20 A Yes.

21 Q Okay. And -- and would you agree that -- that  
22 NorthStar was -- was cooperative and worked with the  
23 State and the Commission up there to develop some of the  
24 proce -- the processes that we just reviewed about  
25 independent outside reviews?

1           A     Yes.

2           **Q     Okay.  Were those things that you originally**  
3 **contemplated, or were these -- were these items and --**  
4 **and activities that were negotiated as part of the MOU?**

5           A     You know, I -- I don't know how to  
6 specifically answer that.  They were the result of a  
7 significant negotiation on many, many points, and the  
8 MOU embodies that, you know, very lengthy negotiation  
9 process.

10                   And I can tell you, there were probably 10  
11 meetings that we had with the State, because we were, in  
12 fact, transferring the ownership of a nuclear power  
13 plant from a utility to NorthStar.  So there was a very  
14 substantial process that the State conducted to ensure  
15 that we would be, as they call it here, a fair partner,  
16 but, you know, I think they also wanted to see that we  
17 were a good partner.  Somebody that was -- was not just  
18 fair, but was open and honest, and -- and worked with  
19 them to achieve everybody's objectives.

20           **Q     Okay.  Thank you.**

21                   **Staying a little bit longer with Exhibit 38,**  
22 **if I could get you to go to page 15.**

23           A     Exhibit 38 being Exhibit 3?  One more in?

24           **Q     No.  No.  Yeah, this is Exhibit 1, I think.**  
25 **Yeah.  This is Exhibit 1.**

1 A Exhibit 1, okay. Yeah. Yeah. All right.

2 Q And I want to direct you to paragraph 24, and  
3 I am going to read it to you and ask you if you agree or  
4 disagree with it.

5 COMMISSIONER FAY: What page?

6 MR. REHWINKEL: This is on page 15?

7 COMMISSIONER FAY: Thank you.

8 THE WITNESS: Page 15.

9 BY MR. REHWINKEL:

10 Q It says: Although NorthStar has relevant  
11 experience in decommissioning, abatement, and cleanup  
12 projects, NorthStar has never taken the lead on a  
13 nuclear decommissioning project, nor a project of the  
14 scale and complexity of the decommissioning of the VY  
15 station.

16 Did I read that right?

17 A Yeah. That's a statement made by the State's  
18 consultants that were involved in developing the MOU.

19 Q But you would agree that if you turn back to  
20 page 11, there is a Roman numeral VI heading, it says  
21 findings, right?

22 A I don't know where -- page 11?

23 Q Yeah, page 11 of the exhibit.

24 A Oh, find -- yeah, all right, I see where you  
25 are.



1           Q     And it says findings, and you would agree that  
2 paragraph 24 is one of those findings by the Commission,  
3 wouldn't you?

4           A     Okay. Yeah, that's the section -- well, let's  
5 see. Is that under that section, or is that under  
6 overview of NorthStar and proposed transactions?

7           Q     Well, if we go back and look at page 11, there  
8 is a Roman numeral VI, and it has a subheading of A,  
9 background, and then you come over to 14, B, overview,  
10 and that's where we find paragraph 24.

11          A     Okay. All right.

12          Q     Okay. So you would agree with me that this is  
13 a finding of the Vermont Commission, what I just read?

14          A     Yes.

15          Q     Okay. Now, I am going to give you an  
16 opportunity. Do you disagree with what the Vermont  
17 Commission found?

18          A     Well, I wouldn't -- I don't agree specifically  
19 with the way this reads. I -- I would have said nuclear  
20 power plant decommissioning project. We have got lead  
21 experience on nuclear decommissioning projects, but, you  
22 know, the -- the semantics of putting in nuclear power  
23 plant, you know, the order is what it is, and it was  
24 approved, so I don't really have an issue with it.

25          Q     Okay. So you would agree at least with the

1 part where they talk about a project of the scale and  
2 complexity of the decommissioning of the VY station,  
3 which is a nuclear power plant, right?

4 A I -- I don't know that I would necessarily  
5 agree with that either. And -- and the reason I say  
6 that is we did a public meeting where we demonstrated,  
7 you know, 20 projects of complexity that were greater  
8 than this project in terms of the amount of concrete  
9 materials removed, soil materials removed, steel  
10 materials removed. And we've done probably well over  
11 100 fossil power plants that, besides the nuclear steam  
12 supply system, are very much the same as a nuclear  
13 plant.

14 So you have to -- you have to be very specific  
15 about what that size and scale means. You know, you  
16 also need to consider, if you take a five-year project  
17 and it's \$500 million, that's \$100 million a year. And  
18 in a project like this, there could be \$30 million of  
19 that that's waste, and, you know, we do a number of  
20 projects at that scale, at the \$70 million a year scale,  
21 for example.

22 So, you know, on a -- on a real basis, a  
23 monthly annual basis, which is how we would look at  
24 work, and how much workforce and material we would  
25 deploy, a nuclear power plant is -- is well in the size

1 of the sweet spot of the kinds of things we do on a  
2 regular basis.

3 Q But -- so you -- I think you testified you  
4 have never taken the lead on a nuclear decommissioning  
5 project, or you said you have?

6 A We have. Not a nuclear power plant  
7 decommissioning project.

8 Q I meant to say nuclear power plant  
9 decommissioning project.

10 A That was true with Vermont, but that's not to  
11 you today because we are doing Vermont.

12 Q Okay. You are in the process of -- of doing  
13 that. You haven't completed it, of course, right?

14 A Right.

15 Q Okay. So your testimony -- I think we can put  
16 this Exhibit 1 aside, if you want to close it.

17 A Okay.

18 Q You state, and I think you testified earlier  
19 today, that NorthStar has performed D&D work on a  
20 handful of very small research -- well, those are my  
21 words.

22 Isn't it true that NorthStar has performed D&D  
23 work on a handful of very small research reactors at  
24 some colleges between 2006 and 2013?

25 A I wouldn't characterize it quite that way.

1 They are nuclear reactors. They are in research  
2 facilities. There is ancillary facilities, and they  
3 pose precisely the same kinds of challenges as it  
4 relates to radiological contamination and removal  
5 technology that -- that a power reactor does.

6 I would also point out that, you know, when  
7 you consider this as an ADP project, Orano has done, I  
8 believe, five or six projects of the scale we are  
9 talking about here, removing reactor vessels and steam  
10 generators, and those large components that, you know,  
11 that you -- you, I think, understand are inside the  
12 containment building. And they would be performing  
13 those same functions on this project, just as they are  
14 on the Vermont Yankee project. You know, outside of  
15 that specific element in these projects, the rest of the  
16 power plant is very similar to a fossil plant.

17 **Q Now, going back to the research reactors. The**  
18 **company that actually did that work between 2006 and**  
19 **2013 was -- was called LVI Services, right?**

20 A Right. That -- that company is the  
21 predecessor name to NorthStar. It's -- it is NorthStar.

22 **Q Okay. And on page six, lines 10 through 12,**  
23 **you say: NorthStar --**

24 A Which exhibit?

25 **Q Oh, I apologize. I am on your testimony.**

1 A Oh, okay.

2 Q North -- you say on line -- starting on line  
3 10: NorthStar's most recent nuclear projects include  
4 decommissioning services for five NRC-regulated research  
5 reactors at university sites as well as four DOE sites.  
6 Did I read that right?

7 A Yes.

8 Q Okay. And you asked the Commission to take a  
9 look at your Exhibit SS-1 for more information about  
10 that specific -- actually SS-1 and SS-2 for more  
11 information about that sentence, right?

12 A Yes.

13 Q And it is that -- those two exhibits that  
14 contain the evidence that you testified was true and  
15 correct -- true and accurate on page three, line 11 of  
16 your testimony; is that right?

17 A I just want to make sure I understand what  
18 those two exhibits are. Are those the --

19 Q The NorthStar project --

20 A -- what's referred to as NorthStar projects?

21 Q Yes. And the Orano project, SS-1 and SS-2.

22 A Right. Yes.

23 Q Okay. Let's go and, if you would, turn to  
24 Exhibit SS-1, please.

25 A Okay.

1 Q Now, for reference, NorthStar Group Services  
2 was formed in April of 2014, correct?

3 A Yeah, as the successor entity, or the name  
4 change essentially, of LVI Services.

5 Q Okay. Well, that was a merger between NCM and  
6 North -- and LVI, right?

7 A Yeah, and LVI was the successor entity, and  
8 the name was changed to NorthStar.

9 Q Okay. You were CEO of LVI, right?

10 A Yes.

11 Q Okay. And you stayed a CEO of the -- of the  
12 surviving merged entity, right?

13 A Correct.

14 Q Okay. So going to the NorthStar projects on  
15 this page, the first one there is the University of  
16 Illinois research reactor, right?

17 A Right.

18 Q And you would agree with me that that was a \$4  
19 million D&D -- when I say D&D, it's decommissioning and  
20 dismantlement, do we understand that?

21 A Yes.

22 Q Okay. That was a \$4 million D&D job on a 1.5  
23 megawatt Mark II Triga, T-I-A-G-A, reactor, that took 11  
24 months to do; is that right?

25 A I am not sure where you are reading that from.

1 And I don't know that I have the came same exhibit  
2 that -- I have got in my testimony --

3 **Q I am reading that from a brochure, an LVI**  
4 **brochure.**

5 A Okay.

6 **Q Do you have any reason to disagree with that?**

7 A You know, I don't know the specific timeline  
8 or value on that project. I -- what we represented to  
9 you in my testimony is a little different than that,  
10 which I would be happy to comment on because it's my  
11 testimony.

12 **Q Well, I mean, you would have prepared a**  
13 **document that says: LVI Services nuclear experience**  
14 **services advantages, right?**

15 A Well, I wouldn't have, but someone in the  
16 company would have.

17 **Q Okay. So are you disagreeing that it was a \$4**  
18 **million job that took 11 months, and was a 1.5 megawatt**  
19 **reactor?**

20 A I am telling you I don't know. I would be  
21 surprised if it was a 1.5 megawatt reactor, but maybe  
22 that's true. Trigas were typically not designed that  
23 way, and I used to operate research reactors, so that  
24 would surprise me if it was that large, but that's, I  
25 guess, possible.

1           **Q**     **Okay. If I read it out of your documents,**  
2     **that's a --**

3           MS. TRIPLETT: Mr. Chairman, I am going to --  
4     Mr. Chairman, I am going to object to the  
5     characterization of his document. Mr. Rehwinkel is  
6     referencing a document that has not been  
7     identified.

8           MR. REHWINKEL: I will withdraw that question.

9           CHAIRMAN CLARK: Thank you.

10          MR. REHWINKEL: That's fair. I will withdraw  
11         that.

12         BY MR. REHWINKEL:

13           **Q**     **That Illinois job was performed by LVI**  
14     **Services, right?**

15           A     Which is NorthStar.

16           **Q**     **Okay. But at the time it was LVI, right?**

17           A     At the time, it was called LVI.

18           **Q**     **Well, the University at Buffalo involved a**  
19     **\$5.7 million D&D job on a two-megawatt AMF Atomics**  
20     **reactor that took 15 months, right?**

21           A     Again, I am not sure where that's at in my  
22     testimony.

23           **Q**     **I am asking you about your -- your -- the**  
24     **projects that you are asking the Commission to take note**  
25     **of, and I am asking --**



1           A     Yeah, I have given -- in my testimony, I have  
2 described those projects, but you are giving me data  
3 that's not in my testimony, and I -- you are asking me  
4 to confirm something I didn't testify to. And -- and I  
5 guess I will just say, I don't know the specific -- the  
6 specific numbers that you want me to affirm --

7           **Q     Well --**

8           A     -- so I am -- is this from another document  
9 that -- that was -- is it an exhibit we can go to or --

10          **Q     I am asking -- I am trying to understand if**  
11 **you know with the evidence you are putting before the**  
12 **Commission, and you are saying you don't know. I mean,**  
13 **you are asking --**

14          A     I am not saying that. I -- I know the  
15 projects, I just don't -- you are asking me for specific  
16 dollar values and time durations from a project that I,  
17 you know, that was conducted by my company a number of  
18 years ago.

19                 We conduct thousands of projects a year. I  
20 don't have in my mind memorized the value or duration of  
21 every project our company has ever done --

22          **Q     These are the --**

23          A     -- you know.

24          **Q     -- nine projects that you are asking the**  
25 **Public Service Commission to take specific note of,**

1     **aren't -- aren't they?**

2           A     They are the nine projects that we  
3 specifically noted were nuclear projects that the  
4 company had done.

5           **Q     So your answer is you don't know about the**  
6 **details about the Buffalo project?**

7           A     I -- it -- that's an incorrect statement.  If  
8 you are saying I don't know any details about the  
9 Buffalo project, that's simply not true.  Do I know the  
10 exact dollar value?  No.  Do I know the exact duration?  
11 No.  But I certainly know the details about nuclear  
12 projects.

13                   I am a nuclear engineer.  I have been doing  
14 this for 30 years.  I did my first nuclear reactor,  
15 which is not unlike reactors in this list, in 1992.  So  
16 I understand nuclear decommissioning.  I just don't have  
17 the details of every project that my company has done,  
18 even the nuclear ones, in the last 15 years.

19           **Q     Let's look at the Arizona reactor on page two.**

20           A     Okay.

21           **Q     Isn't it true that was an eight-month \$1.3**  
22 **million D&D job on a 1.1 megawatt Triga training**  
23 **reactor?**

24           A     Again, I don't know the duration, and I don't  
25 know the dollar value.

1 Q This job was performed by LVI?

2 A This job would have been performed by LVI.

3 Q Okay. And the same for Buffalo, LVI?

4 A Well, what year was Buffalo performed? 2013,  
5 yes, LVI.

6 Q All right. University of Washington, you  
7 would agree -- well, I am going to ask you. This was an  
8 11-month \$2.56 million D&D job on a 1.1 megawatt  
9 Argonaut training reactor, would you agree with that?

10 A I would agree it's an Argonaut training  
11 reactor because that's the kind of training reactor I  
12 used to operate, and I recall the job, but I don't  
13 recall those dollar values, and that was prior to my  
14 being the Chief Executive Officer of LVI.

15 Q When did you become CEO of LVI?

16 A 2010.

17 Q In that Washington job, do you recall that you  
18 paid \$1 million to Intercon as a subcontractor?

19 A I wasn't in the company when that job was  
20 done. I have no idea who did anything on that job.

21 Q Oh, I am sorry, 2010 is when you joined LVI?

22 A Yes.

23 Q Okay. All right. And let's go to -- and --  
24 and just to be clear, that Washington job was performed  
25 by LVI; is that right?

1           A     That's correct.

2           Q     Okay.  And even though you weren't there, you  
3     **still considered that to be NorthStar?**

4           A     Well, that -- LVI is NorthStar, so yes, that's  
5     corporate experience.  It didn't have to be just done  
6     when I was there.  I don't think we qualified it that  
7     way.

8           Q     Okay.  Let's go look at the Hanford, Oak  
9     Ridge, Idaho and Savannah River site jobs if we can.  
10    Those are the four DOE sites that you refer to that are  
11    **in this SS-1?**

12          A     Correct.

13          Q     Okay.  Hanford, were you with the company when  
14    **that was done?**

15          A     Yes, that was done in 2013.

16          Q     Okay.  You removed two reactors and a waste  
17    **vault, is that right?**

18          A     Correct.

19          Q     And isn't it true that the reactors were  
20    **removed basically intact as one unit as a monolith?**

21          A     The reactors, I believe, were grouted and  
22    lifted out of a -- they were underground essentially,  
23    and they were lifted out and removed on a heavy lift to  
24    an on-site disposal facility.

25          Q     And a -- and a subcontractor did that lifting

1 and rigging?

2 A The rigging was done by Barnhart.

3 Q Okay. And the waste vault was also lifted and  
4 taken -- it was taken off-site as a monolith, it wasn't  
5 cut up or dismantled?

6 A I don't think anything was taken off-site. I  
7 think everything went to an on-site disposal facility.

8 Q Okay. On-site meaning at Hanford?

9 A Right.

10 Q But you removed them from the site where they  
11 actually had been for all those years, right?

12 A They were in the 300 area, which was a  
13 chemical processing area for spent nuclear fuel, and  
14 they were, you know, 50-year-old plus facilities.

15 Q Now, the Hanford job, you were a subcontractor  
16 to Phoenix Enterprises?

17 A I believe that's correct.

18 Q Now, isn't it also true that that was a  
19 20-month job that was originally \$11.8 million, and  
20 final estimated cost was 15.8, or 33 percent above the  
21 budget?

22 A I -- I don't recall the numbers.

23 Q Do you recall that that job went over budget?

24 A I recall that there was a lot of additional  
25 contamination that we had to remove that we weren't

1 contracted to deal with. I think -- I think my  
2 testimony said there was 200,000 tons of contaminated  
3 soil, which these facilities were incredibly odd, and  
4 there was not good characterization for how much soil  
5 there was. So I -- I think the additional cost was  
6 purely associated with additional remediation that had  
7 to be done, and the structure of our contract, we -- we  
8 were fixed price for a fixed scope of work.

9 **Q So was the additional contaminated soil**  
10 **outside the original scope?**

11 A Yes.

12 **Q Okay. Oak Ridge, Y-12. Would you agree that**  
13 **this was a nine-month two-and-a-half million dollar**  
14 **subcontract at B&W?**

15 A I don't know.

16 **Q Are you -- you are familiar with B&W Technical**  
17 **Services, are you not?**

18 A I am familiar with the job, and I am familiar  
19 with BWXT, and all of that, but you are asking me again  
20 about a specific contract value which I don't know.

21 **Q But -- but do you recall whether you were a**  
22 **subcontractor to BWX, BWB?**

23 A BWXT, as I recall, was the site operator for  
24 Y-12, so they would have been essentially the owner's  
25 rep for the United States government, so we were working

1 for them.

2 Q Okay. There was no reactor involved in that.  
3 It was just a contaminated building?

4 A I believe it was part of some enrichment  
5 facilities. I don't remember exactly what the prior use  
6 of that facility was. It was a very complicated job.  
7 We had to bring in specialty equipment. We were really  
8 about the only people in the country that could have  
9 done that work.

10 Q Okay. But you would agree there was not a --  
11 this didn't involve decommissioning of a reactor, right?

12 A I don't believe there was any reactor facility  
13 there.

14 Q And LVI would have done that job?

15 A Yes.

16 Q The Idaho National Labs project, DOE Pit 9,  
17 right?

18 A Right.

19 Q Would you agree with me that was a five-month  
20 \$1.9 million job that you performed as a subcontractor  
21 to Northwind?

22 A I have no idea. That's before my time with  
23 the company.

24 Q Okay. Isn't it true that that was a building  
25 that was not radiologically contaminated at all?

1           A     I have no idea.

2           Q     Isn't it also -- isn't it true that that  
3 building had never been used?

4           A     Again, I -- I don't know.

5           Q     Okay. Let's look at the Savannah River  
6 site -- well, before we do that, let's go -- I want to  
7 ask you about the -- the Iowa -- I mean, Idaho job. It  
8 says in your testimony: Remediation treatment facility  
9 completed June 2007, NorthStar decommissioned this  
10 radiological waste processing facility. Do you see  
11 that?

12          A     Yeah.

13          Q     Now, is this sentence intended to convey that  
14 there was radiation present? Is that what the  
15 Commission is supposed to read into that?

16          A     I don't know the specifics of that project.  
17 As I said, that was before I joined the company. It's a  
18 project on a radiological site. It's radiological a  
19 material processing facility.

20                I don't know what the prior use of the  
21 facility was. All I can tell you is that any project  
22 performed on the Idaho National Engineering Lab site is  
23 going to require full radiological protection procedures  
24 irrespective of whether a facility is known to be  
25 radiologically contaminated or not.



1           So was the site contaminated? I don't  
2 specifically know that. But I know that the protocols  
3 we would have employed would have assumed that it could  
4 be, and we would have taken those at appropriate  
5 cautions.

6           **Q     Okay. And then finally in the DOE field here,**  
7 **the -- and that was done by LVI, right, the Idaho job?**

8           A     Yes.

9           **Q     Savannah, would you agree with me this was a**  
10 **\$1 million -- \$1,009,483 waste removal and recycling job**  
11 **that was required after the implosion of an**  
12 **uncontaminated parabolic cooling tower that was never**  
13 **placed in service?**

14          A     That job happened right before I joined the  
15 company. I think it was in September of 2010. And  
16 again, I actually was on that site prior to being  
17 employed by LVI when that tower was shot. It was a  
18 massive cooling tower built for a nuclear reactor, and I  
19 think the K-Reactor at the Savannah River, it's the  
20 reactor, I don't believe, ever ran; and 10 years later,  
21 our government decided to take the cooling tower down.

22                 The site -- all around the cite is a -- it's a  
23 radiological site. The Savannah River is under  
24 radiological protocols. So that structure, I walked  
25 through it. That structure was never used, but removing

1 it from Savannah River means that you would have to  
2 survey just as if it as radiologically contaminated and  
3 confirm that it wasn't from some other source. And so  
4 it would follow all the same protocols of any  
5 radiological project.

6 **Q So when it says decommissioning work, that**  
7 **just means after -- after CDI blew it up, you got the**  
8 **debris and shipped it off to a waste disposal site,**  
9 **right?**

10 A I don't -- I didn't -- again, this happened  
11 shortly before I came to the company. I don't know  
12 specifically where that material went. It could have  
13 been characterized, crushed and reused on the Savannah  
14 River site. It could have went to a disposal facility.  
15 It could have went to a radiological facility at  
16 Barnwell for all I know. It would have been the owner's  
17 decision as to what to do with that.

18 **Q You wouldn't be surprised if DOE classified it**  
19 **as a clean building, would you?**

20 A I wouldn't know.

21 **Q Would you agree with me that for the jobs that**  
22 **LVI did over the seven-year period of 2006 to 2013, that**  
23 **you would have received a total of less than \$35 million**  
24 **for all the jobs?**

25 A I wouldn't know.

1           **Q     Does that number sound wrong?**

2           A     Again, I don't know the value, the specific  
3 value of -- of all those projects. I would say  
4 somewhere between 30 and 50 million would sound about  
5 right, but I don't -- again, I don't know the precise  
6 number.

7           **Q     Okay. The Omaha VA hospital, I guess that**  
8 **must have been associated with a -- with a university?**

9           A     I don't know that it was a university reactor.  
10 I think it was, I want to say maybe the Department of  
11 Agriculture. It was some kind of a strange prior use,  
12 and I don't recall exactly what it was.

13          **Q     Is it that the in five educational or**  
14 **university reactors total that you talk about in your**  
15 **testimony?**

16          A     Yeah, it is.

17          **Q     Okay.**

18          A     It's a research facility. I don't know -- it  
19 wasn't necessarily at a university.

20          **Q     Okay. I understand.**

21                   **And you state on page, that was done by**  
22 **NorthStar, because that was in 2016, right? That was**  
23 **NorthStar, NorthStar, the -- right?**

24          A     Correct. Correct.

25          **Q     And on page five, line 14, I think you might**

1 have mentioned this in your testimony, you talk about  
2 decommissioning tens of thousands of megawatts of power  
3 facilities --

4 A Yes.

5 Q -- throughout the U.S.

6 A Right.

7 Q Okay. Is that -- does -- does the megawatts,  
8 does that have something to do with the complexity and  
9 the scope of a decommissioning project?

10 A Well, it certainly has to do with the size of  
11 the facility. When we look at decommissioning projects,  
12 I wouldn't say we are ambivalent to what kind of  
13 facility it is, but, you know, if it's a nuclear power  
14 plant, you are certainly going to have radiological  
15 controls and certain things associated with that. But,  
16 you know, what you do with a nuclear power plant is you  
17 remove the nuclear steam supply system and all of its  
18 components, you decon the facility, and then do you a  
19 demolition project of a structure. And that structure  
20 is actually simpler than much of -- many of the fossil  
21 plants we do, because they are large old 70-year-old  
22 boilers that have deteriorated, and the amount of  
23 material you get out of a fossil decommissioning,  
24 certainly the metal, is much larger than you get out of  
25 a nuclear facility. Concrete is going to be more in a

1 nuclear facility, and -- and soils are going to be about  
2 the same.

3           So we really look at -- when we look at scope  
4 of work, we look at those three primary waste streams,  
5 soil, concrete and steel, and that's how we measure the  
6 size of a project. So it's -- it's not measured by  
7 megawatts, per se, it's measured by the size of the  
8 facility.

9           **Q       So the Commission shouldn't be impressed by**  
10 **tens of thousands of megawatts, right? I mean, that**  
11 **shouldn't make any difference?**

12           A       I could -- they don't need to pay any  
13 attention to that if they don't want to. I think maybe  
14 they would be interested in how many fossil plants we  
15 have done, and the quantity of steel and concrete and  
16 soil that we've removed. And we've got data that we  
17 presented at public meetings in Vermont that  
18 demonstrated precisely that, the top 20 projects in each  
19 of those three categories. And it demonstrated that  
20 Vermont Yankee was barely in the top 20 of any of those  
21 categories.

22                    So that's really the important aspect.  
23 It's -- it's not uncommon for people to talk about  
24 megawatts in terms of how many -- how much power plant  
25 decommissioning one has done, but it's not specific to

1 volume of waste materials.

2 Q The Omaha VA reactor, that was a two-megawatt  
3 trainer reactor?

4 A I don't know the size of the reactor.

5 Q Would that surprise you if it was two  
6 megawatts?

7 A No. Again, that -- these mostly are pulse  
8 reactors. They don't operate at steady states. They  
9 don't have pressure vessels. So they could have a -- a  
10 peak energy capacity that could be a very high number,  
11 even though the facility was somewhat small.

12 Q Okay. So you would agree that the five  
13 reactors that you talk about probably cumulatively were  
14 less than 10 megawatts?

15 A I don't know. You can do the math. You seem  
16 to have that information in front of you.

17 Q I am at 5.7, but I was trying to be  
18 conservative there.

19 Let's look at Orano, and you used -- you point  
20 the Commission to -- you point the Commission to SS-2  
21 for Orano's nuclear experience?

22 A Yes.

23 Q And I think tie it -- you tie it to the  
24 statement that, on page eight, line 15 through 19, where  
25 you say: Orano has successfully segmented and

1 dismantled five nuclear plants since 1999, each of which  
2 were completed on schedule and within budget, et cetera,  
3 and you point to SS-2, so I want to ask you about those.

4           Just to be clear, Orano -- these jobs in SS-2  
5 were not done by APD, they were done by a predecessor  
6 entity of Orano, right?

7           A     Well, they were done by Orano, or as it might  
8 have been known at the time, AREVA. I am not sure what  
9 the name of the entity would have been.

10          Q     Okay. But Orano was created sometime after  
11 2016, wasn't it?

12          A     Sometime in that timeframe. If -- AREVA was  
13 split into two components. One piece became Framatome  
14 and the other piece became Orano.

15          Q     And Framatome was sold to ADF, right?

16          A     I don't know. I -- maybe. I don't know.

17          Q     It's not part -- it's not part of the Orano  
18 family anymore, right?

19          A     Components -- the -- the splitting of the  
20 components were basically nuclear fuel cycle versus  
21 nuclear power plant. And fuel cycle in their world is  
22 making fuel and decommissioning is in one place, and the  
23 other power plant operations and maintenance is on the  
24 other side.

25          Q     Okay. And this was -- at the time, the French

1 **government when they restructured, AREVA was struggling,**  
2 **were they not, they were financially struggling?**

3 A I think AREVA had, yeah, run into some issues  
4 on a plant they were building in Finland, as I recall,  
5 and they carved the company into two components, and one  
6 piece went one way and the other piece went another way.

7 Q **Wouldn't you agree that for these jobs that**  
8 **you show on SS-2, that Orano was a subcontractor**  
9 **performing a subset of the overall D&D work on those**  
10 **five reactors?**

11 A In fact, they were conducting precisely and  
12 exactly the work they would do on Crystal River 3 on all  
13 five of those jobs. And in fact, Maine Yankee is a  
14 sister plant to Crystal River 3. It's effectively an  
15 identical plant.

16 Q **So when it says: Orano has successfully**  
17 **segmented and dismantled five nuclear plants, does --**  
18 **does the dismantling of the plant mean just what they**  
19 **are doing as a subcontractor at Vermont Yankee?**

20 A Yes. Yes. The -- the -- the removal of the  
21 reactor internals, and pumps, and mechanical components  
22 of the nuclear steam supply system.

23 Q **Now, the last time Orano worked on one of the**  
24 **five projects you put in your SS-2 was 10 years ago, is**  
25 **that right?**



1 A I believe they did Würgassen in 2010, yes.

2 Q So 10 years ago?

3 A Yeah.

4 Q Okay. And Stade in Germany was in 2009?

5 A Stade was in 2009.

6 Q Okay. Then the three American projects, 2006,  
7 2004 and 2001?

8 A Yes.

9 Q Now, isn't it true that on these projects that  
10 Orano, AREVA, whatever you want to call them, only  
11 performed the D -- the D&D planning on one of them?

12 A Tell me which one. I don't know that to be  
13 true.

14 Q I haven't asked you to open up Exhibit 17C.

15 MR. REHWINKEL: Dianne, I didn't put this on  
16 the list, but I can ask him a question about this  
17 if he has 17C with him. This is a confidential  
18 document.

19 MS. TRIPLETT: I don't know if he has it. I  
20 think he does.

21 THE WITNESS: I don't have the document. I  
22 have got my -- the ones I am responsible for, or  
23 told to be responsible for.

24 MR. REHWINKEL: Okay. Is there a way -- so  
25 you don't have access to 17C at this point? I know

1 I don't --

2 MS. TRIPLETT: Mr. State, it would have been  
3 in the bigger zip file. I don't know if you have  
4 access to internet to be able to download it here  
5 on the fly.

6 THE WITNESS: I have got it.

7 MR. REHWINKEL: Okay. Mr. Chairman, this is  
8 Exhibit 17C, and I would ask that it be given No.  
9 39.

10 CHAIRMAN CLARK: Okay. Mark it 39.

11 MR. REHWINKEL: I think the title is TRC White  
12 Paper.

13 CHAIRMAN CLARK: I am sorry, Charles, what --  
14 what -- what did you call it?

15 MR. REHWINKEL: TRC -- initials TRC, White  
16 Paper.

17 CHAIRMAN CLARK: Okay.

18 MR. REHWINKEL: Okay.

19 (Whereupon, Exhibit No. 39 was marked for  
20 identification.)

21 BY MR. REHWINKEL:

22 Q Do you have this document before you?

23 A Yeah, I have got it opened.

24 Q Okay.

25 A Yeah.

1           Q     Can I ask you if you could turn to page 22 of  
2 the exhibit?

3           A     Okay.

4           Q     All right. Now, before we talk about  
5 vocalizing anything I ask you, this entire document  
6 is -- is claimed as confidential, and so I am going to  
7 ask you questions about pointing -- that would require  
8 pointing to the document.

9                     If, in my question, you know that information  
10 can be disclosed, I will leave it up to you, but I am  
11 not trying to encourage you to disclose confidential  
12 information, and your counsel may want to interject  
13 here. I am going to ask you questions about a document  
14 here, I think it is provided by you to Duke, you meaning  
15 APD.

16          A     Okay.

17                     MS. TRIPLETT: Mr. Chairman, I would ask  
18 that -- that -- Mr. Rehwinkel, I don't know if this  
19 information -- I think we need to establish a  
20 foundation is my objection. I think Mr. State can  
21 handle the confidentiality. I am not concerned  
22 about that. I just want to make sure, because this  
23 document is a Duke Energy document.

24 BY MR. REHWINKEL:

25          Q     Okay. So let me -- let me ask you some

1 preliminary questions.

2 Do you see the green box, or rectangle here?

3 A The table?

4 Q Yeah.

5 A What page are you on?

6 Q I am on page 22, and it says --

7 A Okay. I am there. Yes.

8 Q All right. Is the logo there your company  
9 logo, APD?

10 A Yes.

11 Q And you go to the very bottom of it, it  
12 says -- well, can you read the green-blue at the very  
13 bottom, can you read that aloud?

14 A APD team qualifications.

15 Q Okay. Is this a document that was provided to  
16 Duke as a part of the bid process?

17 A I don't know this is -- I think this was  
18 probably a table within a document. I -- I don't  
19 specifically recall when this would have been provided  
20 to Duke. I am certain it was, I just don't know when.

21 Q And it would have been provided by you, right?  
22 I say you, I mean ADP.

23 A It would have been provided by APD.

24 Q Okay. All right. So if I could ask you to  
25 look at the project -- well, first of all, it looks like

1 this document lists projects all over the world, and  
2 then it has, I call them -- it has checks where it's  
3 checked about the status. There is a prime contractor,  
4 subcontractor, contract structure, completion date, and  
5 then it has a field that says scope of work, and it has,  
6 it looks like nine categories; is that right?

7 A Yeah, something like that.

8 Q Okay. Are the -- are the categories there,  
9 the labels on those categories, are they confidential,  
10 do you know?

11 A Well, the labels themselves would not be  
12 confidential, but the checkmarks below them would be  
13 confidential.

14 Q Okay. And that -- okay. So would it be  
15 fair -- what about the completion date information,  
16 those dates, are those confidential?

17 A Some of them would be, yes.

18 Q Okay. And I want you to err on the side of  
19 not disclosing confidential information. I don't want  
20 to elicit confidential information from you.

21 The same would be with the population of the  
22 column up under contract structure.

23 A Yes. Those -- that's confidential.

24 Q Okay. And -- and what about the checkmarks as  
25 prime or subcontractor, is that confidential for

1 **everything?**

2 A That would be confidential for some of those.  
3 Not all of those.

4 Q Okay. So with that sort of predicate, I want  
5 to ask you some questions about the five projects that  
6 are in your SS-2, and I would ask you if you can confirm  
7 that those projects and some of the details within the  
8 level of detail in this document, whether those apply to  
9 the five SS-2 projects?

10 A Okay. So just can we go back? You said of  
11 the five projects I provided to you, one of them was  
12 not -- was just a planning project?

13 Q Oh, well --

14 A I am looking at all of these, and every one of  
15 these is a disassembly or, you know, a cutting project.  
16 There is none of those that were just planning projects.  
17 That's simply not a true statement you made earlier.

18 Q Yeah. I -- I probably didn't ask the question  
19 right, but let me ask it with this document in front of  
20 you.

21 A Okay.

22 Q And what I want to now is of -- Maine Yankee  
23 is on here, Milstone-1, Rancho Seco is on here, Stade is  
24 on here and Würgassen is on here?

25 A Yes.

1           Q     Okay.  So if I go -- and I want to be careful  
2     about these checkmarks.  I want to ask you is -- how  
3     many of the five projects was the -- the APD company the  
4     D&D planning -- did they do D&D planning as part of the  
5     scope of work?

6           A     How many did they do planning?

7           Q     How many of them involved doing D&D planning?  
8     You don't have to tell me which one if -- if -- if it's  
9     part of the confidential checkmarks.  I just want to  
10    know how many of the five did the D&D planning scope of  
11    work that's over on the right-hand side?

12          A     Okay, that's -- yeah, and that's completely  
13    irrelevant, but I am happy to let you know what I read  
14    here, so I will tell you which ones they were.

15                    Maine Yankee, there was planning.  Rancho Seco  
16    there was not planning.  Würgassen there was not  
17    planning.  Stade there was not planning.  And what was  
18    the other one we talked about?

19          Q     **Milestone.**

20          A     Milestone there was not planning.

21          Q     **Okay.**

22          A     But again, that's -- everyone of those, there  
23    is reactor disassembly, which is specifically what they  
24    are going to do for us at Crystal River.  They are not  
25    doing planning.  They are doing disassembly.  And

1 that's -- the reason these five projects were presented  
2 in my testimony is because they are directly and  
3 100 percent relevant to the work that Orano resources  
4 provide to us on these projects. They don't provide  
5 planning.

6 **Q What about decontamination? Is**  
7 **decontamination part what Orano is doing at Vermont**  
8 **Yankee?**

9 A Not necessarily. They -- they are  
10 decontaminating the reactor vessel parts as they cut  
11 them up, but they are not doing gross decontamination of  
12 the facility.

13 Again, they are taking the reactor vessel,  
14 cutting it into pieces, cutting the internals up,  
15 cutting the generators up, that's the work they do, and  
16 that's specifically why those five projects were in my  
17 testimony.

18 **Q Okay. So can you tell me if any of -- whether**  
19 **Orano -- well, with respect to those five projects, can**  
20 **you tell me whether they fell on the prime contractor or**  
21 **the subcontractor side of the -- well, is that**  
22 **confidential information?**

23 A Yeah. They were the prime -- they were the  
24 prime contractor for the reactor disassembly and removal  
25 on all of those projects. That was their scope of work.



1 They were not the prime contractor that decommissioned  
2 the entire nuclear plant. Their -- again, they are  
3 performing precisely the same work for us that they did  
4 on those projects.

5 And if you look at it -- I assume everybody  
6 has got this confidential exhibit, there is 20 plus  
7 projects that they have done reactor disassembly on, you  
8 know, and including NorthStar. There -- there is many,  
9 many, many projects here that cover all of these things.

10 **Q You didn't put those in your SS-2, did you?**

11 A No. I put -- I put the five in that were most  
12 directly specific to what they are going to do at  
13 Crystal River. For example, Maine Yankee is there  
14 because it's a sister plant. It's identical. They have  
15 experience doing exactly what they are going to do at  
16 Crystal River.

17 MR. REHWINKEL: Mr. Chairman, this is a --  
18 kind of a subject change area. I am not close to  
19 being done.

20 CHAIRMAN CLARK: Okay. Yeah, well, if we are  
21 on a subject change area, this will be a great time  
22 for us to pause it for the -- for today then. Is  
23 that okay with --

24 MR. REHWINKEL: What I'm going to do --

25 CHAIRMAN CLARK: Say again.

1           MR. REHWINKEL: What I am going to do is that  
2 given that we kind of went out of order a little  
3 bit, I am going to try to slim down my questions  
4 for -- for Mr. State given sort of what I had  
5 arranged based on my assumptions, and I will  
6 probably have less than I planned for him starting  
7 tomorrow.

8           CHAIRMAN CLARK: Okay. Excellent.

9           All right. Are there any matters that we need  
10 to take up before we dismiss for the day?

11          MR. BREW: What time are we starting time are  
12 we starting tomorrow?

13          CHAIRMAN CLARK: We will start at 9:30 a.m.  
14 Eastern Time. 9:30 Eastern Time.

15          Reminder, if you are participating, please  
16 check in at 9:00 a.m., call in, log in, click in,  
17 whatever you need to do to make sure that your  
18 system is tested and working so we can begin  
19 promptly at 9:30.

20          MR. REHWINKEL: We have different instructions  
21 for tomorrow.

22          CHAIRMAN CLARK: I am sorry. What are the new  
23 instructions? They weren't -- you have something I  
24 don't.

25          MS. HELTON: Yes, you were -- I sent two --

1 two sets of instructions, and the day two  
2 instructions have a different link because it has a  
3 different code. And for those of you calling in,  
4 it has a different phone number.

5 CHAIRMAN CLARK: Okay. So follow Mary Anne's  
6 instructions be not mine, okay, everybody?

7 MR. REHWINKEL: I just wanted -- I wanted to  
8 do that so we didn't have a technical glitch with  
9 half the people not dialing the wrong one.

10 CHAIRMAN CLARK: But I am assuming we still  
11 need to dial in 30 minutes early, is that correct?

12 MS. HELTON: Yes, sir.

13 CHAIRMAN CLARK: Okay.

14 MR. REHWINKEL: We will do that. Thank you.

15 CHAIRMAN CLARK: All right. Anything else?  
16 Seeing nothing, we are in recess until tomorrow  
17 morning at 9:30. Thank you, have a great  
18 afternoon.

19 (Transcript continues in sequence in Volume  
20 2.)

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## CERTIFICATE OF REPORTER

STATE OF FLORIDA     )  
COUNTY OF LEON     )

I, DEBRA KRICK, Court Reporter, 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 10th day of July, 2020.



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DEBRA R. KRICK  
NOTARY PUBLIC  
COMMISSION #GG015952  
EXPIRES JULY 27, 2020