

VOTE SHEET

October 12, 2010

Docket No. 100009-EI – Nuclear cost recovery clause.

Issue 2: Do PEF's activities related to Levy Units 1 & 2 qualify as "siting, design, licensing, and construction" of a nuclear power plant as contemplated by Section 366.93, F.S.?

Recommendation: Yes. Staff recommends the Commission find that PEF's activities related to Levy Units 1 & 2 qualify as "siting, design, licensing, and construction" of a nuclear power plant as contemplated by Section 366.93, F.S, because these activities satisfy the statutory definition for preconstruction cost as defined pursuant to the statute.

DEFERRED

Issue 3A: Does the Commission have the authority to require a "risk sharing" mechanism that would provide an incentive for a utility to complete a project within an appropriate, established cost threshold? If so, what action, if any, should the Commission take?

Recommendation: Staff recommends that the Commission defer resolution of this issue until the 2011 NCRC. Resolution of this issue impacts both FPL and PEF. FPL has requested a stay of this proceeding in all matters that impact FPL and there are no urgent matters stemming from this issue that require resolution at this time.

DEFERRED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS: Item was deferred to the October 26, 2010, Commission Conference.

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Issue 4: Should the Commission find that for the year 2009, PEF's accounting and costs oversight controls were reasonable and prudent for the Levy Units 1 & 2 project and the Crystal River Unit 3 Uprate project?

Recommendation: Yes, the Commission should find that PEF's accounting and costs oversight controls employed during 2009 for Levy Units 1 & 2 and the Crystal River Unit 3 Uprate projects were reasonable and prudent.

DEFERRED

Issue 5: Should the Commission find that for the year 2009, PEF's project management, contracting, and oversight controls were reasonable and prudent for the Levy Units 1 & 2 project and the Crystal River Unit 3 Uprate project?

Recommendation: Staff recommends the Commission find that project management, contracting, and oversight controls employed by PEF during 2009 for the Levy Units 1 & 2 project were reasonable and prudent. Staff recommends that the Commission withhold making a finding concerning the prudence of the project management, contracting, and oversight controls employed by PEF during 2009 for the Crystal River Unit 3 Uprate project, especially as it relates to the LAR development process. A determination concerning the prudence of these controls and oversight activities should be included as an issue in the 2011 Nuclear Cost Recovery proceeding.

DEFERRED

Issue 6: Should the Commission approve what PEF has submitted as its annual detailed analysis of the long-term feasibility of completing the Levy Units 1 & 2 project, as provided for in Rule 25-6.0423, F.A.C? If not, what action, if any, should the Commission take?

Recommendation: Yes. PEF presented evidence that it examined technical, regulatory, and economic factors impacting the long-term feasibility of the Levy Units 1 & 2 project which demonstrate that the project remains feasible. In addition, PEF provided the updated fuel and environmental forecasts, as well as an updated project cost estimate requested by the Commission.

DEFERRED

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Issue 7: Is PEF's decision to continue pursuing a Combined Operating License from the Nuclear Regulatory Commission for Levy Units 1 & 2 reasonable? If not, what action, if any, should the Commission take?

Recommendation: Staff recommends the Commission find PEF's decision to continue pursuing a Combined Operating License for Levy Units I & 2 reasonable at this time.

DEFERRED

Issue 8: Should the Commission approve what PEF has submitted as its annual detailed analysis of the long-term feasibility of completing the Crystal River Unit 3 Uprate project, as provided for in Rule 25-6.0423, F.A.C? If not, what action, if any, should the Commission take?

Recommendation: Staff recommends that the Commission approve what PEF has submitted as its annual detailed analysis of the long-term feasibility of completing the Crystal River Unit 3 Uprate project. The Company presented evidence that it examined technical, regulatory, and economic factors impacting the long-term feasibility of the project.

DEFERRED

Issue 9: What system and jurisdictional amounts should the Commission approve as PEF's final 2009 prudently incurred costs and final true-up amounts for the Crystal River Unit 3 Uprate project?

Recommendation: Staff recommends that the Commission approve as reasonable the following Crystal River Unit 3 Uprate project final 2009 costs: capital costs in the amount of \$118, 140,493 (\$87,458,545 jurisdictional), O&M expenses of \$821,773 (\$762,529 jurisdictional), carrying charge of \$14,351,595, and a base revenue requirement of \$396,018. The Commission should also approve as reasonable a final 2009 true-up amount of negative \$244,765 for use in determining the 2011 NCRC recovery amount. The final true-up amount is the summation of the following factors: \$9,999 over-projection of 2009 O&M expenses, \$122,005 under-projection of carrying charges, and a \$356,771 over-projection of other adjustments. Staff recommends the Commission find that there is not enough information in the record at this time to determine the prudence of PEF's 2009 CR3 Uprate costs. Therefore, staff recommends the Commission revisit the issue of PEF's prudence concerning 2009 CR3 Uprate costs during the 2011 NCRC proceeding.

DEFERRED

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Issue 10: What system and jurisdictional amounts should the Commission approve as PEF's reasonably estimated 2010 costs and estimated true-up amounts for the Crystal River Unit 3 Uprate project?

Recommendation: Staff recommends that the Commission approve as reasonable the following Crystal River Unit 3 Uprate project estimated 2010 costs: capital costs of \$66,334,227 (\$32,827,539 jurisdictional), O&M expenses of \$1,234,649 (\$1,109,484 jurisdictional), carrying charges of \$7,557,070, and a base revenue requirement of negative \$746,776. The Commission should also approve as reasonable an estimated 2010 true-up amount of \$2,379,874 for use in determining the 2011 NCRC recovery amount. The estimated true-up amount is the summation of the following factors: \$895,281 under-projection of 2010 O&M expenses, \$2,231,369 underprojection of carrying charges, and an over-projection of other adjustments in the amount of \$746,776.

DEFERRED

Issue 11: What system and jurisdictional amounts should the Commission approve as PEF's reasonably projected 2011 costs for the Crystal River Unit 3 Uprate project?

Recommendation: Staff recommends that the Commission approve as reasonable the following project 2011 costs for Crystal River Unit 3 Uprate project: capital cost of \$67,829,699 (\$52,297,867 jurisdictional), \$481,102 (\$423,093 jurisdictional), projected O&M expenses, carrying charges of \$10,023,829, and a base revenue requirement of \$3,424,764. The Commission should also approve as reasonable a projected 2011 amount of \$13,871,686 for use in determining the 2011 NCRC recovery amount.

DEFERRED

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Issue 12: What system and jurisdictional amounts should the Commission approve as PEF's final 2009 prudently incurred costs and final true-up amounts for the Levy Units 1 & 2 project?

Recommendation: Staff recommends the Commission approve as Prudent the following Levy Units 1 & 2 project final 2009 costs: capital costs in the amount of [REDACTED] (\$255,963,530 jurisdictional), O&M expenses of \$4,500,975 (\$4,020,056 jurisdictional), carrying costs of \$36,124,710, and a base revenue requirement of \$7,619. The Commission should also approve as prudent a final 2009 true-up amount of \$4,192,819 for use in determining the 2011 NCRC recovery amount. The final true-up amount is the summation of the following factors: \$8,749,309 over-projection of 2009 pre-construction cost, \$911,232 over-projection of O&M expenses, \$13,845,741 under-projection of carrying costs, and a \$7,619 under-projection of other adjustments.

DEFERRED

Issue 13: What system and jurisdictional amounts should the Commission approve as reasonably estimated 2010 costs and estimated true-up amounts for PEF's Levy Units 1 & 2 project?

Recommendation: Staff recommends that the Commission approve as reasonable the following Levy Units 1 & 2 project 2010 estimated costs: capital costs of [REDACTED] (\$143,951,411 jurisdictional), O&M expenses of \$4,211,926 (\$3,687,427 jurisdictional), and carrying costs of \$50,652,578. The Commission should also approve as reasonable an estimated 2010 true-up amount of \$8,121,477 for use in determining the 2011 NCRC recovery amount. The estimated true-up amount is the summation of the following factors: \$11,835,352 under-projection of 2010 pre-construction costs, \$745,625 over-projection of O&M expenses, and an over-projection of carrying costs in the amount of \$2,968,249.

DEFERRED

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Issue 14: What system and jurisdictional amounts should the Commission approve as reasonably projected 2011 costs for PEF's Levy Units 1 & 2 project?

Recommendation: Staff recommends that the Commission approve as reasonable Levy Units 1 & 2 projected 2011 costs in the amount of \$75,259,568 for use in determining the 2011 NCRC recovery amount. The recommended amount, based on a projected 2011 capital cost [REDACTED] (\$48,464,396 jurisdictional), includes the following items: projected 2011 site selection and pre-construction costs in the amount of \$25,056,735, projected O&M expenses of \$4,343,901 (\$3,823,883 jurisdictional), and carrying costs of \$46,378,959.

DEFERRED

Issue 15: What is the total jurisdictional amount to be included in establishing PEF's 2011 Capacity Cost Recovery Clause factor?

Recommendation: Staff recommends the Commission approve a total jurisdictional amount of \$163,580,660 for the 2011 NCRC recovery amount. This amount should be used in establishing PEF's 2011 Capacity Cost Recovery Clause factor. The total 2011 recovery amount includes \$60,000,000 amortization of the rate management deferred balance.

DEFERRED