

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition to approve transaction for accelerated)
decommissioning services at CR3 facility, transfer)
of title to spent fuel and associated assets, and)
assumption of operations of 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, by Duke) Docket No. 20190140-EI
Energy Florida, LLC.) Filed: June 22, 2020
_____)

**PREHEARING STATEMENT OF
WHITE SPRINGS AGRICULTURAL CHEMICALS, INC.
d/b/a PCS PHOSPHATE – WHITE SPRINGS**

Pursuant to the Florida Public Service Commission’s *Order Establishing Procedure*, Order No. PSC-2019-0320-PCO-EI, issued August 2, 2019, as modified by *First Order Modifying Order Establishing Procedure*, Order No. PSC-2019-0384-PCO-EI, issued September 20, 2019, and *Second Order Modifying Order Establishing Procedure*, Order No. PSC-2020-0105-PCO-EI, issued April 15, 2020, White Springs Agricultural Chemicals, Inc. d/b/a PCS Phosphate – White Springs (“PCS Phosphate”), through its undersigned attorneys, files its Prehearing Statement in the above matter.

A. APPEARANCES

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B. WITNESSES

PCS Phosphate does not plan to call any witnesses at this time.

C. EXHIBITS

PCS Phosphate does not plan to offer any exhibits at this time, but may introduce exhibits during the course of cross-examination.

D. STATEMENT OF BASIC POSITION

For many years, Duke Energy Florida, LLC (“DEF” or “Duke”) consumers paid for the cost of the eventual decommissioning of the Crystal River 3 (“CR3”) nuclear plant through an annual accrual recovered in rates. The Commission approved halting that accrual in 2002 because Duke and the Commission deemed the accumulated assets in the nuclear decommissioning trust fund (“NDF”) to be sufficient to fully cover expected decommissioning and dismantlement costs. At the same time, notwithstanding the requirements of the 1982 Nuclear Waste Policy Act and decades of debate, the country is really no closer to establishing a high-level nuclear waste repository than when CR3 entered commercial service in 1977.

With the premature retirement of CR3 associated with multiple equipment and structural failures, and a fresh approach to decommissioning and dismantlement, Duke now proposes to transfer responsibility for decommissioning CR3 and for managing the maintenance and storage of the CR3 spent fuel and high level radioactive wastes to a third party, Accelerated Decommissioning Partners, LLC (“ADP”), a special purpose entity created for this endeavor. The expressed intent of the transaction is to accelerate decommissioning activities of CR3 by several decades, thus restoring the portion of the site not occupied by the Independent Spent Fuel Storage Installation for other potential uses. Based on the fixed price provisions of the Decommissioning Service Agreement (“DSA”), Duke hopes that there may actually be

remaining funds from the NDF that could be refunded to future DEF customers (not once the decommissioning and dismantlement is accomplished, but after the high level wastes are accepted by the federal government and moved off site).

PCS sees merit in the proposal to accelerate the decommissioning of the CR3 plant; however, concerns that the immediate and near term risks to consumers that the NDF account balance will be largely consumed without accomplishing the end state objectives far outweigh potential benefits that are, at best, twenty years distant. These risks are exacerbated by the financial and corporate structure of the ADP organization. The customer protection enhancements proposed by Office of Public Counsel (“OPC”) witness Richard A. Polich in his direct testimony address the need to mitigate the consumer impacts in the case of inadequate, insufficient or incomplete performance by ADP during the course of the project. PCS supports DEF’s efforts to accelerate decommissioning of CR3 and potentially accelerate return of unspent portions of the Nuclear Decommissioning Fund, but only if the Commission incorporates the customer protection enhancements proposed by OPC.

E. STATEMENT ON SPECIFIC ISSUES

ISSUE 1: Should the Florida Public Service Commission approve the transactions as contemplated by the Agreement (Decommissioning Services Agreement), the SNF PSA (Spent Nuclear Fuel Purchase and Sale Agreement), and the Ancillary Agreements (as defined in Article I, Section 1.1.1 of the Agreement)?

PCS Phosphate: Agree with OPC.

ISSUE 2: Is DEF’s proposed transaction with ADP and its subsidiaries for decommissioning CR3 consistent with DEF’s 2017 2nd Revised and Restated Stipulation and Settlement Agreement (2017 Settlement)?

PCS Phosphate: The 2017 Second Revised and Restated Stipulation and Settlement agreement did not contemplate the partial transfer and delegation of decommissioning responsibilities to a third party. PCS agrees with OPC.

ISSUE 3: Should the Commission approve DEF's 2019 Accelerated Nuclear Decommissioning Study?

PCS Phosphate: Agree with OPC.

ISSUE 4: What is the appropriate annual accrual in equal dollar amounts necessary to recover the proposed decommissioning costs of CR3?

PCS Phosphate: \$-0-.

ISSUE 5: What is the appropriate accrual effective date for adjusting the accrual amount, if any adjustment is needed?

PCS Phosphate: Agree with OPC.

ISSUE 6: Should the Commission approve DEF's request to waive, if necessary, the future filing of CR3 decommissioning studies every five years as provided in Rule 25-6.04365, F.A.C.?

PCS Phosphate: Agree with OPC.

ISSUE 7: What reports should be given to the Commission to ensure that the decommissioning and spent fuel activities outlined in the DSA are completed, NDT funds are reasonably spent, and sufficient funds remain to complete the decommissioning and spent fuel activities?

PCS Phosphate: Agree with OPC.

ISSUE 8: Should this docket be closed?

PCS Phosphate: No position

FIPUG CONTESTED ISSUE:

ISSUE A: What monetary benefits, if any, should be provided to customers presently related to this matter?

PCS Phosphate: If permitted by applicable law, PCS supports FIPUG's proposal.

F. PENDING MOTIONS

None.

G. PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY

None.

H. OBJECTIONS TO QUALIFICATIONS OF WITNESS AS EXPERT

None at this time.

I. REQUIREMENTS OF ORDER ESTABLISHING PROCEDURE

There are no requirements of the Procedural Orders with which PCS Phosphate cannot comply.

Respectfully submitted,

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Dated: June 22, 2020

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Prehearing Statement of PCS Phosphate has been furnished by electronic mail this 22nd of June 2020, to the following:

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