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1		BEFORE THE
2	FLORIDA P	UBLIC SERVICE COMMISSION
3	In the Matter of:	
4		DOCKET NO. 20200001-EI
5	FUEL AND PURCHASED P	
6	COST RECOVERY CLAUSE GENERATING PERFORMAN	
7	INCENTIVE FACTOR.	/
8		VOLUME 3
9	PAG	ES 453 through 547
10	PROCEEDINGS:	HEARING
11	COMMISSIONERS	IIIARTING
12	PARTICIPATING:	CHAIRMAN GARY F. CLARK COMMISSIONER ART GRAHAM
13		COMMISSIONER JULIE I. BROWN COMMISSIONER DONALD J. POLMANN
14		COMMISSIONER ANDREW GILES FAY
15	DATE:	Tuesday, November 3, 2020
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17		Betty Easley Conference Center
18		Room 148 4075 Esplanade Way
19		Tallahassee, Florida
20		ANDREA KOMARIDIS WRAY Court Reporter
21	APPEARANCES:	(As heretofore noted.)
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23		REMIER REPORTING 14 W. 5TH AVENUE
24	ТА	LLAHASSEE, FLORIDA (850) 894-0828
25		

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1	PROCEEDINGS
2	(Transcript follows in sequence from
3	Volume 2.)
4	CONTINUED EXAMINATION
5	BY MR. REHWINKEL:
6	Q Now, the fact that that you engaged Siemens
7	to do the rewind while you were doing a root-cause-
8	analysis process didn't mean that that you didn't
9	find them to be at fault or responsible in any way; you
10	just had to get the OEM to do it, if it was going to be
11	done within the shortest possible time; is that right?
12	A Ye yes, but whenever we award a scope of
13	work, we do a decision-making review to determine who we
14	believe the best vendor that we would select is to go
15	do. And we do that every time. And that review
16	concluded that Siemens would be our best success path.
17	So, it it wasn't just Siemens gets it
18	because they do our generators. It still went through
19	our review process to make sure that we were selecting
20	who we would get the most assurance with.
21	Q Okay. But the fact that you chose Siemens
22	didn't mean that that you didn't believe or you had
23	already determined within that week or two that they had
24	done nothing wrong in the 2012 rewind; is that fair?
25	A Yes, I believe it would be fair to say that we

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1 do quite a bit of work with lots of vendor partners. 2 Siemens is one of them. And we routinely critique and 3 oversee their FME practice, foreign material exclusion practices, to make sure they're consistent with ours. 4 5 And we believe that their program, as well as ours, meets the industry standard and the best benchmark 6 7 of -- of any of the -- the vendor partners. So, we had 8 confidence that they could do it correctly. 9 Okay. But just since you brought that up, you Q 10 didn't do an FME-practices review within the time 11 that -- between April 25th and whenever you awarded them 12 the scope of work to do the rewind, right? 13 That's -- that's not correct. We -- we do --Α 14 that's part of the -- those items are part of any 15 contract that we award to our vendor partners, and 16 they're done every time, including witness points and 17 oversight activities associated with them as well. 18 And our FME program is undergoing constant --19 foreign material exclusion program -- it's undergoing 20 constant assessment activities to make sure that it 21 meets -- it meets the market. 22 And, as a matter of fact, I talked about our 23 condition report program earlier that writes up any 24 issues if there were a deficiency with such and then we 25 would take learnings from that and bolster it. That's a

1 daily activity as well. 2 So, I would say our program and process is 3 continuously assessed. And when we award contracts, it's -- it's put through its paces as well. 4 5 Okay. And I probably didn't ask the question Q You didn't make an assessment of whether, in 6 right. 7 2012, Siemens had followed all of its FME practices 8 before you aw- -- correctly before you awarded the scope 9 of work for the -- the unplanned outage-related rewind, 10 right? 11 Α No, I would say we did do that, Mr. Rehwinkel, 12 via the interviews that we conducted with people that 13 were involved with it at the time and via the work 14 documents that document all those inspections and 15 reviews and assessments as well. 16 So -- so, I would say absolutely we -- if I'm 17 understanding your question correctly -- maybe I'm not 18 understanding your question correctly, but -- go ahead. 19 0 Yeah, my question is: In that window, between 20 April 25th and a week or two after, when you awarded the 21 rewind work to Siemens, you didn't do a specific 22 assessment of what they did in 2012. 23 Oh, no. Α 24 0 And that --25 We -- we did -- as -- and it's А No. No. No.

1 one of the -- it's one of the attachments -- or it's one of the exhibits in here, but what we did do, speaking of 2 3 that, is we had an interim causal review that was done. 4 And the interim causal review -- the purpose 5 of that is to make sure, before you start up the generator, that you don't have any issues that you 6 7 should have thought of before you started up, but 8 knowing that you're not going to be done with the root 9 cause yet because there's forensics that has to occur 10 back at the factory. 11 And so, we did as much review as we can 12 without all the information that we had to be able to 13 start the unit back up, but then we went further on into 14 the root cause. 15 So, the answer to your question is we did a 16 partial assessment including that, but didn't take it all the way to the point of understanding the cause 17 18 because forensics wasn't done yet. 19 MR. REHWINKEL: Okay. Let's go ahead and 20 identify Exhibit 8, OPC Exhibit 8. I think this 21 will be No. 54. 22 CHAIRMAN CLARK: Correct, Ms. Brownless, 23 No. 54? 24 We're marking No. 54. 25 (Whereupon, Exhibit No. 54 was marked for

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1 identification.) 2 BY MR. REHWINKEL: 3 And, Mr. Coffey, if I could get you to turn to Q 4 Page 42 -- Bates 42. 5 Okay. I'm there. Α And this is a list of sources-cited documents, 6 0 7 in Section 11. 8 Α Oh, I'm on the wrong Page 42. Okay. Yes, now 9 I'm on the right 42. 10 Yeah, you see it? Q 11 Α Yes. 12 Is that what you were trying to direct me to? 0 13 Is it --14 No, I was --Α 15 When you said --0 16 Α Pardon me? 17 You were -- you were talking about there 0 18 was -- there was something related to Siemens and FME 19 that was part of a document. 20 Oh, no, I was talking about their original Α 21 contract, but we have a -- if you were to go to 22 Attachment -- or Exhibit 9, Exhibit 9 is an interim 23 root-cause evaluation dated -- the event date is dated 24 April 25th, but there's two signatures on it, May 31st 25 of '19.

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1 This was an interim -- interim causal review 2 that was done prior to starting up the machine, but 3 before the final root cause was done, which assessed 4 elements of the program that were in question. 5 I apologize. Somewhere in here, you 0 Okay. said there is a -- a discussion of the FME activities of 6 7 Siemens? Well, it's not in the discussion of the FME 8 Α 9 activities of Siemens; it is a review of what the 10 potential causes are for the generator rewind -- for the 11 generator issue, and FME is one of those potential 12 causes. 13 So, we were assessing an FME cause as part of 14 this even while we were doing the generator rewind, 15 itself. And I was answering that in context of your 16 question, were we doing any assessment of the FME during the April 25th time period when we were doing this. 17 And 18 we were, but we weren't done with it yet. 19 Okav. All right. But that -- that interim 0 20 assessment, if you will, was before you restarted the 21 generator, not before you awarded the -- the work to 22 Siemens to do the rewind; is that correct? 23 Α That's true, yes. That's true. 24 MR. REHWINKEL: Okay. All right. Let's qo, 25 if we can, to Exhibit 2, OPC Exhibit 2. And I

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1	guess this will be No. 55.
2	CHAIRMAN CLARK: That's marked No. 55.
3	(Whereupon, Exhibit No. 55 was marked for
4	identification.)
5	BY MR. REHWINKEL:
6	Q This is Staff Interrogatory 41 response.
7	A Yes, sir, I'm there.
8	Q And okay. Is it fair to say that this
9	this response, No. G, which refers you over to
10	Attachment 1, shows the replacement power costs
11	associated with the outage of 18,361,621?
12	MS. MONCADA: I'm going to object,
13	Mr. Rehwinkel. That subpart of the interrogatory
14	was not sponsored by Mr. Coffey.
15	MR. REHWINKEL: Okay. Are you asking that he
16	not be allowed to answer that question?
17	MS. MONCADA: I'm saying that that's a subject
18	matter outside of his testimony.
19	MR. REHWINKEL: Well, Mr. Chairman, I'm trying
20	to
21	MS. MONCADA: If you want, I can stipulate
22	I can stipulate
23	MR. REHWINKEL: Okay. I'm just trying to
24	establish all I want to ask in this is, is the
25	replacement power costs, the repair costs, and

1 and the inspection repair costs recovery method. 2 Mr. Coffey testified about insurance proceeds 3 and repair cost recovery in his testimony that he 4 filed. So, I --5 That's -- that's fair. We stand MS. MONCADA: by the numbers that are in this exhibit, if you 6 7 want to just have him read it. I -- I don't think 8 that he is the appropriate person to talk about 9 dollars; he's an operational witness. 10 So, what we have here is the yin to yang, 11 Mr. Menendez. 12 MR. REHWINKEL: I understand. 13 Let -- let me do this and I'll ask these --14 I'll ask a question one way and see if Ms. Moncada 15 has any objection to it. 16 And my question would be -- and this -- would 17 be this: Is it true that the replacement power 18 costs associated with the outage was 18,361,621; 19 and was the repair cost attributable to the outage 20 approximately \$29 million. 21 And -- and I would ask if -- if we can either 22 get a stipulation that that was the case or if he 23 can answer it just based on review of this 24 document. 25 I will stipulate to those MS. MONCADA:

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1 numbers, but I will pose a further objection that, 2 yes, we did provide the amount of the repair costs 3 in the response to the interrogatory when staff requested it, but that is outside the scope of 4 5 what's being -- or what would be recovered through the Fuel Clause; it is a base cost. 6 7 I understand, except that --MR. REHWINKEL: 8 veah. I -- I would -- I appreciate that 9 stipulation and I -- I also acknowledge that repair 10 costs are not the subject of this hearing. 11 BY MR. REHWINKEL: 12 0 On Page 5 of your -- of your July 27th 13 testimony, Mr. Coffey --14 Α Yep, I'm there. 15 -- you -- on Line 21, you state that the 0 16 company filed a re- -- an insurance claim for reimbursement of costs incurred as a result of the event 17 18 and that it does not include replacement fuel costs; is 19 that right? 20 Α That's -- that's right. Replacement fuel 21 costs had a 12-week limiting factor associated with it. 22 So, we did file for a NEIL insurance claim. 23 NEIL is N-E-I-L, Nuclear Electric Q Okav. 24 Insurance Limited? 25 That's right, yes. Α

1	Q Okay. And all right. So, it says here
2	that FPL submitted a claim for approximately
3	\$25.9 million for expenses associated with the event.
4	That's on Lines 4 and 5; is that right?
5	A That's right. Less the subject to being
6	less the \$10-million deductible, that's correct.
7	Q Okay. And then there is a 10-percent quota
8	share. Was that sort of like a premium in the in the
9	NEIL industry?
10	A I I don't know if that's a I know that
11	that's something that we have, but I don't know that
12	it's something that's in the industry.
13	Q Okay. All right. So, can you tell me it
14	says here in Lines 8 through 10 that you were expecting
15	a final coverage decision in the third quarter of this
16	year, which would have ended, I think, on
17	September 30th.
18	A Yeah, we don't have
19	Q that
20	A Yes, we don't have the final report back from
21	NEIL yet, but our conversations with them yesterday did
22	not look like that would be favorable and that we would
23	be granted that insurance claim, but we're still we
24	don't have the final report yet.
25	Q Okay. All right. I'm going to ask you this

1 question -- you may not know the answer and I would 2 understand if you don't: Do you know whether this 3 \$25.9 million that you state is expenses -- is that 4 really expenses or is any of it capital? 5 You know, I don't -- I don't know the answer Α I would have to -- I would have to look that 6 to that. 7 up to get the answer to that question because it's my 8 belief that some of it might be capital, but I don't 9 know that for sure. 10 That's fair. Q Okay. 11 Since -- do you know whether the -- there were 12 any costs in addition to the 25.9 that's in your 13 testimony and the 18.361 that -- replacement power costs 14 that were incurred by the company as a result of the 15 outage? 16 I'm not aware of any additional costs. Α 17 Is it your testimony that the customers of FPL 0 18 are solely responsible for the retail portion of all the 19 replacement power costs per incurred -- associated with this -- the 2019 St. -- PSL 1 outage? 20 21 I'm not -- I'm not sure I understand your Α 22 question, Mr. Rehwinkel. 23 0 I guess --24 MS. MONCADA: And I'm going to object, as this 25 is outside his subject matter expertise.

1	MR. REHWINKEL: Okay. I will I will accept
2	that.
3	BY MR. REHWINKEL:
4	Q Is it fair to say that FPL did not hold
5	Siemens responsible financially for their contribution
6	to the cause of the outage?
7	A I would not say that that is a fair statement.
8	The contract delineated the warranty terms for the
9	generator rewind and we were outside of those terms,
10	but but that does not mean that the senior personnel
11	in our organization are not in contact with senior
12	personnel in their organization, exhibiting our
13	displeasure or dissatisfaction with where we were on how
14	we ensure we're going to get success going forward as we
15	work with them.
16	So but we were outside the warranty period.
17	So, we followed the contract, Mr. Rehwinkel.
18	Q Okay. So, just just to be clear on this
19	point, the work occurred in January, February of 2012,
20	related to the uprate; is that right?
21	A Yes.
22	Q The work being the the generator rewind
23	associated with the increased output of the generator,
24	right?
25	A Yes.

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1 And it's that work that the warranty expired 0 2 on under your contract terms; is that right? 3 Α There were -- there were -- I did read the 4 contract, myself, and in that contract, there were 5 several different warranties that were involved with it, the longest of which was 24 months. 6 So, any warranty 7 claim in that contract would have expired after 24 8 months of operation, worst case. 9 So, I didn't -- I didn't compare which were a 10 year, which was 18 months, and which was 24 months, but 11 24 months was the longest of the warranty periods. 12 That's fair. 0 13 It would be -- based on your experience in the 14 industry, it would be highly unusual for there to be a 15 seven-year warranty on -- on a maintenance or repair 16 work; is that right? 17 Α Based on my experience with the contracts 18 I've -- I've reviewed, yes, but that does not mean that 19 does not exist. 20 So, would it be fair to say that you did not 0 21 pursue compensation from Siemens because of the warranty 22 condition, not because FPL believed that Siemens was not 23 responsible for introducing the mechanism that caused 24 the fault that tripped the unit that caused the outage; 25 is that fair?

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1 Α Yes, I would say that's correct. 2 Would you agree with me that the customers of Q 3 FPL also pay for the original work that was done in 2012 that was part of the uprate, that, once it was 4 5 completed, went into -- went into base rates? I would be making an assumption if I gave you 6 Α 7 the answer to that question, but I don't know it to be 8 other than that. 9 That's a fair answer. Okay. Q 10 I just have to ask this question, but did FPL, 11 in any way, seek compensation from Siemens, either at the -- the PSL 1 or PSL 2 sites or was there work at any 12 13 other units within the NextEra family? 14 Α I'm not -- let me make sure I understand the 15 Are you talking about -- obviously you're not question. 16 talking about the generator rewind in 2019, but are you talking about with Siemens, as a whole, at any time? 17 18 Yes, sir. 0 19 Α Yes, every --20 Related to that. 0 21 Not related to the -- not related to the 2012 Α 22 rewind, but every single time we do work with Siemens, 23 there's a process that we go through on the things that we think met or did not meet expectations, and there's 24 25 financial restitution that's reviewed on a score card to

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1 determine whether or not -- how we award funds or not.
2 So, there's always an assessment for that that I -- that
3 goes on.

In this particular case, for the rewind, we pulled the contract immediately, as you can probably imagine, to review what the contract terms were. And it was, like I said, two years. So, we did not go, financially, after anything associated with 2012 with Siemens.

Q All right. So, let me just make sure I ask this question the right way, just to close the loop on this. Point Beach is an affiliated -- well, it -- let me just ask you to open up Exhibit 3.

14 A Okay. It's open.

Q Okay. So, this is a document that was about the generator ground fault, and it was performed by your EOSS organization; is that right?

18 A That's right.

19 And on Page 3, there at the bottom, it says, 0 20 "Operational risks: No change is recommended to 21 operational or maintenance plans for the remaining 22 Siemens rewound units, PSL 2, PBN 1, PBN 2, PTN 3, 23 Details below. Maintaining spare winding is not PTN 4. 24 economical." Did I read that right? 25 You did. А

1 0 You -- okay. 2 So, my question to you is -- is, as a result 3 of what you saw as the error by Siemens at PSL 1 in 2012, did you ask them to make up for it or compensate 4 5 you at any of these other units where they might have done work? 6 7 Α We went back -- we went back and reviewed 8 their program associated with foreign-material 9 exclusion, ex- -- with testing protocols, witnessing 10 proto- -- witness and sign-off and validation protocols 11 for inspections, and we did not find discrepancies with 12 any of those practices, but what we did do is make sure 13 that we bolstered -- I shouldn't say bolstered, but 14 we -- we did make sure that those activities were 15 conducted with rigor for these upcoming outages, given 16 the information that we learned from 2012. 17 And we did go back and review documents to see 18 if we saw anything that was discrepant for St. Lucie

19 Unit 2, as well as the other sites, but that was only 20 part of their outage planning to make sure that we 21 wouldn't have issues and we didn't find any 22 discrepancies.

And so, we basically just bolstered our oversight of the program to make sure there were no weaknesses because we didn't find any with our document

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1 reviews or interviews of personnel that were a part of 2 those activities in the first place. 3 Okay. And I appreciate that operational Q 4 response. 5 I would ask it another way, which is: Did you ask them for any discounts or compensation on future 6 7 work to compensate you or the harm that they caused 8 as -- as a result of the outage that occurred at -- at 9 PSL 1? 10 Α Yeah, I'm -- I'm not aware that we asked them 11 for any discounts for this work based on the generator 12 rewind; however, every contract negot- -- contract 13 negotiation with us, whoever the vendor is, is -- is a 14 pretty rigorous process where we're going after best 15 achievable prices from all of our vendors. And so, 16 it's -- it's -- it's something that's built into our DNA 17 to start with. 18 0 Okay. 19 Α So, not in response -- so, the answer is not 20 in response to the work that was done in 2012; it's just 21 our normal course of business to do that regardless. 22 All right. And just to be clear, when -- in 0 23 your testimony, so I can -- I can understand the record 24 here on Page 3 at Line 10, you --25 А Okay.

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1 0 You -- this is in your July 27th testimony. 2 You used the word "investigation". 3 Α You -- you said -- did you say Page 10? 4 Page 3, Line 10. I'm sorry. Q 5 Page 3, Line 10. Α Okay. I'm there. The investigation here is generally referring 6 0 7 to the RCE --8 Α Right. 9 -- and that process; is that right? Q 10 Α One of those three causes, That's correct. 11 yes. 12 Let's look at what I think we're 0 Okay. 13 calling Exhibit 54, which is the RCE. 14 Α On the Exhibit -- Exhibit --15 -- 8. 0 16 -- 8? Α Yes. 17 All right. Now, I want to go to Page 2, 0 Yes. 18 under the executive summary. 19 Α Okay. I'm there. 20 And under the heading "causes," the summary Q 21 conclusion of the RCE report is stated in those two 22 sentences; is that right? 23 Α I don't -- I'm not sure exactly what you 24 asked, Mr. Rehwinkel. 25 It -- well, it says "causes" -- can you Q Okay.

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1 read those -- those two sentences, for the record? 2 Α Oh, yes, sir: A small puncture developed 3 through the ground wall insulation of stator bar "Bravo" 4 17 and Phase "Charlie" Stator Winding resulting in a 5 fault current path to ground. The root cause of the puncture is indeterminate. 6 7 And for the court reporter, you used military 0 terminology for the letter "B" and "C," right? 8 9 Α I did, yes. 10 So, I'm just trying to understand about Q Okav. 11 the phrase "puncture." The -- the "puncture" 12 terminology sounds, to me, like something comes from the 13 outside and it goes inside; is --14 Α So -- so, what it's basically trying to say, Mr. Rehwinkel, is that either a contaminant of some sort 15 16 in one of the two causes has worked itself out of the insulation and gave out, causing a fault path; or impact 17 had occurred on the inner part- -- portions of the 18 19 machine and worked itself in. 20 So, either one of those could have happened, 21 whether it was a contaminant or magnetic termite or 22 impact that had worked itself inward from impact. So, 23 it's -- it's trying to capture that either it worked itself from inside out or outside in to create the path 24 25 to ground.

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1QOkay. So -- all right. It's not --2AAnd it took seven years -- it took seven years3to do that.

This isn't inconsistent with your 4 Right. Q 5 testimony about, where you say on Page 2 -- starting on Line 19, it says: Based on the location of the 6 7 insulation, FPL believes the mechanism that produced the fault was introduced in the stator during a generator 8 9 rewind performed by Siemens Energy, Inc., (Siemens), in 10 2012 and degraded insulation gradually over the course 11 of seven years in service.

12 So, if I were to -- if I were to liken Α Right. 13 this, Mr. Rehwinkel, to an extension cord, for example, 14 inside of an extension cord, there is a couple of layers 15 inside there. And that -- maybe a -- a red one, a white 16 one, and a green one -- or a black one, a white one, and The outer sheath of the extension cord is 17 a green one. 18 completely intact, but inside that extension cord, the white wire, itself, insulation is damaged underneath. 19 20 And so, this is similar with the generator. 21 The outer portions of the generator insulation were 22 intact, but underneath, where the coils were -- that 23 insulation was suspect and had an issue. 24 Does the RCE and your explanation there --0 25 does that conclude that there could not have been a

1 particle in the -- inside the generator that moved 2 inside the stator insulation to the bar? 3 Α It does conclude that because the outer -- the outer material and epoxy was all intact with no --4 5 that's why it took us a week to find it. We couldn't -we couldn't find a cause because the exterior was all 6 7 pristine. 8 Q Okay. And that goes back to one of my earlier 9 questions to you about the logic is that it had to be 10 Siemens. That's right. 11 Α 12 Because they controlled the -- the stator bar 0 13 and all the insulation and how it was produced. 14 Α That -- yes, that's true. I don't -- I don't 15 know how they get their resin, and so, they -- they may 16 say, well, the -- the vendor that supplies the resin to us came with a contaminant and -- we didn't -- we didn't 17 18 go into that level of detail, but Siemens was in charge 19 of making sure the quality of that work was done 20 correctly. And, clearly, we didn't get the results that 21 we expected, so Siemens had some culpability for that. 22 Would this RCE be something you would 0 Okay. 23 provide to the NRC, Exhibit 8, Exhibit 54? 24 Α It is, yes. 25 Is it required? 0

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1 Α It -- it is -- it is not -- it's not required, 2 no. 3 Q Is that because the --4 Α If they -- if they -- if they requested it 5 during an inspection, we would provide it to them, though. 6 7 Do you know whether it was provided to the 0 8 NRC? 9 Α I -- I'm not aware that it was requested nor 10 was it required. 11 Q Okay. And it wouldn't be required because 12 it's not an NSS component, the -- the main generator? 13 It's -- so, the trip, in and of Α Right. 14 itself, would hit the -- would be -- be an NRC-PI 15 indicator, but unless they determine there was a 16 performance deficiency at the site, they wouldn't request the product. And I'm not aware that there -- a 17 performance deficiency was even a -- raised, based on 18 19 this. 20 I said NSS, but I mean --Q Okay. 21 MS. MONCADA: Can I interrupt, for the record? 22 Thank you. 23 I was just going to ask that. Can we define 24 NSS and PI for PI indicator? 25 I -- I only said two Ss, but there's three, 0

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1 right, NSSS? 2 Α That's right. 3 Can you give the court reporter -- can you --Q 4 can you says what those stand for? 5 Well, that -- N-triple -- go ahead -- NSSS Α 6 systems are just -- are just a way of 7 saying (unintelligible), so... And "PI" is what? 8 Q 9 Performance indicator. Α 10 MS. MONCADA: Thank you. 11 Q Look on Page 4 -- actually, Bates 6 -- I take 12 that back. Bates 7, 8, and 9, there are photographs. 13 This is on the Exhibit 8? Α 14 Yes, sir. Q 15 Okay. Let me switch back over. All right. Α Ι 16 am there. 17 0 Okay. Now, these are pictures from January of 18 2012 of the work that Siemens was doing in the rewind 19 project -- project; is that right? 20 Α That's right. 21 These are two segments of the -- of the main Q 22 generator, right? 23 Α That's correct. All right. And the -- the tube in the middle 24 0 25 is where the rotor goes. Everything else around that

1	is are the st the stator components; is that
2	right?
3	A That's right, yes.
4	Q Okay. And if we look in the background there,
5	you see what looks like tent rigging this this
6	shows that this this work is going on at the PSL 1
7	site; is that right?
8	A That's that's right. This is the actual
9	work, yes.
10	Q Okay. So, somewhere around those blue bars is
11	that that's one of the 17 stator bars; is is that
12	right?
13	A If you if if you look inside there, you
14	see those on Page well, on any of the pages,
15	actually, but you'll see there it shows the 42 slots in
16	the core on Page 6, and then it shows the 42 coils in
17	the stator. And then each one of those had 14 coils for
18	each phase 14 times three, 42. So so, it's
19	showing you that picture of them on slot Page 6
20	there.
21	Q Okay. So, this is the environment where
22	the that Siemens had control of, in your view, as far
23	as the activities that occurred in the 2012 rewind; is
24	that right?
25	A Yes, that would that would be correct.

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1 And that means the on-site environment. 0 I'm 2 not talking about at the manufacturing sites, but at 3 PSL 1, Siemens still controls this site under their 4 contract, right? 5 They would. This -- this entire area that you Α can't see via these pictures -- this entire area is 6 7 tented in. You can't access this area without going 8 through a watch station there that logs -- when you see 9 materials in these pictures, they're all logged in. 10 They're in an accountability log to make sure that they 11 come out. 12 So, yes, this would all be within the purview 13 of Siemens as work that's ongoing. And we have obvious 14 access to it. 15 Now, who is responsible for FME 0 Okav. 16 exclu- -- or FME procedures inside that tent during this 17 rewind operation? They -- they are responsible for that, but 18 Α 19 that does not free us from having oversight of it --20 "They" meaning --0 21 -- and inspection --А 22 -- Siemens? 0 23 Siemens has control of it and it's their FME Α 24 program; however, Florida Power & Light makes sure that 25 they qualify to our standards, even using our training,

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1 and we still oversee these activities when they're --2 when they're ongoing. 3 Q Okay. 4 Α So, we make sure they are compliant with our 5 program and their program is compliant with ours. Now, once they start the process 6 0 All right. 7 inside that tent of -- of assembling the kit components to complete the rewind, does FPL monitor or oversee 8 9 their FME procedures? 10 Α Yes. 11 Q "Their" meaning Siemens. 12 Α Yes, we do. 13 So, who has responsibility for keeping that 0 14 site clean, pristine -- whatever your terminology is --15 in accordance with the -- the appropriate FME 16 procedures? 17 Α Siemens -- Siemens has that, but FPL still has 18 governance and oversight to make sure that they are 19 complying. 20 So, you -- it's not -- wouldn't be your 0 21 testimony that FPL has no responsibility to ensure that 22 the vendor takes appropriate steps to ensure that FME 23 procedures are followed at this -- at their rewind work 24 site on -- on the PSL 1 location. 25 We absolutely have ownership of making sure А

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1 they're on our property, operating and performing as we 2 would expect. 3 Okay. So, it would -- I -- it would not be Q 4 correct for me to assume that you had contracted away 5 the responsibility for FME at that site -- FME-procedure adherence at that site? 6 7 100-percent absolutely not, did not contract Α 8 that out. 9 So, in your July testimony at Page 4, 0 Okay. 10 Line 18 through 21 --11 Α I'm there. 12 -- when it says, "Additionally, contract 0 13 requirements with Siemens for quality assurance were 14 imposed in accordance with industry standards. These 15 included expectations for inspection, testing, 16 packaging, shipping, nonconformance process, customer communication and facilities access for mutually-agreed-17 18 upon witness points" -- did I read that right? 19 Α Yes, you did. 20 Is -- is there -- where would FME-process 0 21 adherence fit into that description, if at all? 22 Nonconformance process. So, that -- that А 23 contract with Siemens was nearly 400 pages in length and 24 it delineated -- it delineated everything in great 25 detail: the tests to be done, what the witness points

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1	were, what programs had to be followed, the
2	qualifications of the personnel including that they had
3	to go to FME training our FME training.
4	And so, when we say "nonconformance
5	processes," that's intended to encompass things like the
6	foreign material exclusion, material handing and
7	lifting, our scaffolding program, and various other
8	elements that would have been tedious to put all those
9	in there. So, nonconformance process is what their
10	(unintelligible) says.
11	MR. REHWINKEL: Okay. Let's go, if we can,
12	back to Exhibit 3. And I want to now introduce
13	this exhibit. I don't think I we gave it a
14	number. I think, Mr. Chairman, it would be No. 56.
15	CHAIRMAN CLARK: Yes, sir, Exhibit No. 56.
16	(Whereupon, Exhibit No. 56 was marked for
17	identification.)
18	BY MR. REHWINKEL:
19	Q And this is entitled "St. Lucie 1 Generator
20	Ground Fault Analysis." Do you have that document?
21	A I do.
22	Q Are you familiar with it?
23	A I'm very familiar with it.
24	Q This was produced in your organization; is
25	that right?

1 A That's not correct.

Q It's not. Where was it produced?
A So, it was produced by the EOSS organization,
Engineering and Operations Support Services group. That
group owns, I would say, responsibility for maintenance
programs of secondary systems like generators and large
pumps and motors and such.

And so, this presentation was put together by 9 that group, who, we have a dotted relationship with 10 them. They work for -- they don't work for nuclear, per 11 se, but they're dotted to nuclear, works with us -- they 12 work with all the business units, operational business 13 units.

14 And they put this leadership presentation together. This wasn't a formal root cause; this was a 15 16 leadership presentation that was put together exclusive of the root cause, and then it had root-cause elements 17 18 added to it along the way, but it's not a -- it's not a 19 causal document; it's a leadership presentation. 20 Yeah, I -- I guess I -- I probably 0 Okav. 21 didn't ask the question right when I asked if -- if your

22 operations over- -- oversight in your -- in your

23 description of your responsibilities included EOSS.

I guess your answer was that the dotted-line
aspect includes that?

1 Yeah, they -- yeah, they -- they don't report Α 2 up through me in nuclear. They report to a separate 3 business unit than nuclear, but they are on our -they're on our daily engineering call and they are in 4 5 our actu- -- in our daily plan-of-the-day meetings, our review meetings, our progress meetings. 6 7 And so, they are incorporated into our core 8 business, is what I'd say, but they report up to our 9 generation rather than nuclear. 10 Q Okay. Fair enough. 11 They -- would it be fair to say this is kind 12 of a centralized engineering-support organization that 13 supports the south region as well as the other nuclear 14 units? 15 Α Yes, that would be -- that would be fair to 16 say that, yes. 17 0 Okay. So --18 And not just nuclear units, Mr. Rehwinkel, Α the -- all operational units. A generator is a 19 20 generator, and so --21 Q Right. 22 A I treat them as nuke generators. They're 23 generators. 24 0 Right. They're just part of the balance of 25 plant.

1 Α That's right. 2 Okav. So, this document, it says -- if I look Q 3 on Page 6, there's a reference to a Greg Stone, who said he agreed that magnetic termite is the most -- well, let 4 5 me -- let me stop that question and say the date of this document is July 11th, 2019, right? 6 7 That's right. Α 8 Q And the date of the RCE is August 19th --9 Α That's right. 10 -- 2019. Q 11 So, is it -- is there information in the -- in 12 what's now Exhibit 56, or OPC 3, that is inaccurate or 13 incorrect in the -- in the light of hindsight? 14 Α Well, I wouldn't say inaccurate or incorrect. 15 What I would say is this presentation was not informed 16 by the forensics of the root cause until later. 17 And so, I know that the -- so, this is --18 there's -- there's -- there was five revisions to this 19 document. It started out as a leadership presentation, 20 given what we knew, and it grew over time, but this did 21 not have the final conclusions of the forensics. 22 It had some forensics data as we went along, but had we used this as a causal product, we would have 23 only went after the magnetic termite, and it could have 24 25 been something completely different. And we went after

1 corrective actions for all three of those causes rather 2 than just the one cause that was listed in here to 3 prevent it from happening again.

So, I would just say that the document has some accurate information in it; it's just not holistic of everything that would have -- that could have occurred.

8 Q Okay. So, what you said isn't that you 9 determined that it wasn't a magnetic termite that caused 10 the problem; you just said it's one of three things that 11 you think is most likely to have caused the problem --12 the problem, right?

13 The magnetic termite -- that's the Α Right. 14 particle that we talk about in the root cause, and same -- same thing. Yes, that is one of the three 15 16 Some -- some would believe that that's -- that causes. that's more likely than others, but all three of them 17 18 cannot be refuted. None of the three can be refuted. 19 0 Okav. So, let me just go to Page 15 of this 20 document. 21 All right. Α 22 And I want to ask you about the first bullet. 0 23 EOSS analysis concludes the failure mode is a, It says: quote, "magnetic termite." And then the first dash 24 25 under that says, "Based on available evidence, the

1 failure was caused by a magnetic termite introduced by a failure of FME process." Did I read that right? 2 3 Α You did. 4 Okay. So, I'm -- I'm going to ask you: Q Is 5 that information inaccurate? I -- I am not aligned with the statement on 6 Α 7 this document; however, it's hard to argue -- the 8 particle that we're talking about here -- they call it 9 magnetic termites on purpose. They're not something 10 that's easy to -- to see. 11 And why I said our FME programs are very 12 strong and they're try- -- they try to be perfect, it 13 is -- it is possible, in this particular case, that 14 something like that could have occurred. 15 I will tell you, though, that the gentlemen 16 that produced this report are aligned with the rootcause evaluation from St. Lucie, and they did a review 17 18 of that after this was completed. And they are aligned 19 with that root-cause evaluation that was conducted 20 because this was more of a presentation than it was a 21 formal evaluation. 22 Okay. Well, these guys -- and you said this 0 23 document went through five revisions; is that correct? 24 This document had mult- -- this document -- my Α 25 understanding is it went through multiple revisions.

1 This might have been revision five.

2

Q Okay. That's --

A That's just like our -- just like we had an interim root cause and a final root cause and multiple drafts throughout, as we were learning information, leadership presentations were getting updated as were the causal documents, but the most effectual references we have are the root causes from both Siemens and from St. Lucie.

10 Q Okay. But to your knowledge, this may well be 11 the most -- the most authoritative version of this 12 document within the process these guys did; is that 13 right?

A They -- at the time that they did this, they believed that the magnetic termite was the most likely cause. At the end of the root cause, they agreed that the root cause was accurate and that those three causes could not be refuted.

19 Q Okay. After -- at the bottom of this, the 20 EOSS recommends that there's no change needed to current 21 NEE -- that's NextEra Energy -- operation or maintenance 22 plans, right? 23 A That's correct because when we -- we went and 24 reviewed our program and process documents against

25 industry standard and best practices, and they were

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1 consistent or exceeded those standards. So, that's why 2 they -- they didn't recommend that there be any changes. 3 Okay. And it says, "... ensure strict Q 4 adherence to FME process during generator work." That 5 was their other recommendation. 6 Α Right. That seems -- it's seems pretty self-7 evident, but yes, which is why we bolstered our 8 inspection activities during the 2019 rewind. Our 9 process was sound, but we needed to make sure that we 10 were doubling down on those processes so that we don't 11 have it occur again. 12 So, in concert with this recommendation 0 Okay. 13 and the dash under Bullet 1, no one determined that 14 there was not a failure of the FME process; is that 15 right? 16 Α Right. There -- it's not conclusive that the 17 FME processes failed, that's right. But it wasn't conclusive that it didn't fail 18 0 19 either, right --20 Α That -- that --21 -- of the possible cause? 0 22 That -- that's true. That is true. А 23 Okay. Mr. Chairman, it's MR. REHWINKEL: 24 3:30. I'm about to change topics a little bit 25 in -- in this line of cross. I'm happy to keep

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1 going, but I thought I would ask if anyone -- if we 2 need a break. 3 CHAIRMAN CLARK: Yes, sir. We can -- I tend 4 to agree. We'll give our court reporter just a few 5 minutes. Let's take a ten-minute recess. Ten-minute recess. 6 7 MR. REHWINKEL: Thank you. CHAIRMAN CLARK: Mr. Rehwinkel, let me ask 8 9 you, before we do that -- I'm just going to try to 10 make determinations for the afternoon. How long do 11 you anticipate the remainder of your questions for 12 this witness? 13 MR. REHWINKEL: I think I'm a little beyond 14 halfway. I believe that, given some of the 15 testimony and some of the facts that we've 16 elicited, that we probably will be able to cut out 17 what I had anticipated. So, I think I can conclude 18 before 5:00. 19 CHAIRMAN CLARK: All right. Let me check with 20 What's your anticipation? Ms. Putnal and Mr. Brew. 21 Thank you. MS. PUTNAL: This is Karen Putnal. 22 FIPUG has no questions. 23 Okay. And Mr. Brew? CHAIRMAN CLARK: 24 MR. BREW: Mr. Chairman, I have no questions 25 for --

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1 CHAIRMAN CLARK: Okay. 2 MR. BREW: -- FPL. 3 CHAIRMAN CLARK: Sorry about that. 4 Staff, just a few? You have some questions? 5 Okay. No problem. That's just giving me the 6 All right. Good. 7 indication that we're going to go ahead and try to 8 wrap this up this afternoon. After that line of 9 questions is up, we're probably looking at 45 10 minutes to conclude everything. So, we're going to 11 try to wrap this hearing up this afternoon. 12 Let's take a guick ten-minute break, come 13 back, and we'll trudge through the rest of it. 14 Thank you. 15 (Brief recess.) 16 CHAIRMAN CLARK: Let's get at least two more 17 commissioners -- or at least one and we'll go. 18 Let's roll. We've got one. 19 MR. REHWINKEL: All righty. 20 BY MR. REHWINKEL: 21 Okay. Mr. Coffey, if I could get you to go to 0 22 Page 2, it's a sentence we've looked at before, but on 23 Lines 18 and 19, it says, "The cause of the insulation fault was investigated, but could not be definitively 24 25 confirmed." Do you see that?

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1 Are you on the presentation still? Α 2 Q I'm sorry. I'm on your July testimony. Ι 3 think you can put the presentation aside. 4 Α I'm on my July testimony and I'm on Okay. 5 Page 2 now. And the sentence I read is -- is the one 6 0 Yes. 7 that starts and ends on 18 and 19. 8 Α Okay. I'm there. 9 And then if I could get you to turn to Page 20 Q 10 of the RCE, Exhibit 8 -- or Exhibit 54. 11 MS. MONCADA: What page? 20? 12 MR. REHWINKEL: Page -- Bates 20, yes. 13 It's... 14 THE WITNESS: Okay. I'm there. 15 BY MR. REHWINKEL: The heading is -- it's Section B: 16 0 Based on 17 the above documentation, categorize the results using 18 the causal factor characterization matrix below -- do 19 you see that? 20 Α Yes. Is -- is this discussion here the basis for 21 0 22 the phrase "could not be definitively confirmed"? 23 It -- it is. All that's really -- yes, it's Α 24 really trying to state that it could be one of the three 25 things that it talked about, but we couldn't -- via the

1	forensics that we had and the analysis that we did, we
2	couldn't say definitively that any one of the three was
3	the cause.
4	Q Okay.
5	A So, in our minds, we have to address
6	corrective action for all of them.
7	Q All right. When I looked in this first
8	paragraph, about two-thirds of the way down, there's a
9	phrase there's a couple of sentences that start: The
10	nature of these possible failure mechanisms is such that
11	the causal factor lies within the manufacturer and/or
12	assembly process for this stator.
13	The causal factor is outside of the scope of
14	the station. No gaps in the station process or external
15	oversight were identified. The root cause is
16	indeterminate.
17	Did I read that right?
18	A You did. That's what it that's what it
19	says states.
20	Q And this means that basically it was on the
21	Siemens side of the fence and not FPL's side of the
22	fence, where the cause was introduced into the
23	generator.
24	A Yeah
25	Q Is that right?

1 Α -- it means it was -- yes, it means it was 2 within the context of the contract that we had with 3 Siemens for their portion of the work, but I -- I 4 just -- I want to make sure I am clear, it does not take 5 away our oversight and inspection activities that go on during this as we do these activities, Mr. Rehwinkel. 6 7 Okay. And there is a -- an asterisk under the 0 8 table there. And it says: In accordance with the 9 EI-AA-100-1005, guote, "If the lack of cause 10 identification is beyond the scope of the plant, the 11 team will issue a final report listing the cause as 12 indeterminate." 13 Is -- does that mean that -- that, because 14 FPL -- because you saw the causal factor on the Siemens 15 side, that -- that FPL personnel could not make a 16 determination of exactly what happened because it was --17 it was behind the veil? 18 Well, that -- that TI- -- that's in accordance Α 19 with TIAA. That's -- that's one of our performance-20 improvement procedures that dictates how we do causal 21 evaluations. That -- that procedure is also under 22 Nuclear Regulatory Commission's group need for a problem 23 identification and resolution inspection. 24 And normally, when you have a causal product, 25 you would get a root cause on a single element and then

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1 that would have the effect of actually preventing 2 recurrence. 3 Since we couldn't do that in this particular 4 case, and we had to have multiple, this is the way for 5 us to follow our our problem-identification/ 6 resolution process to shore up that, while we couldn't 7 conclude one item was it, we're going to blanket the 8 three and take actions as necessary to try to prevent 9 any prevent any one of them, if that makes sense. 10 Q Okay. Yes. Thank you. 11 All right. I told you to put away Exhibit 3, 12 but I I do need to ask you a question about it again. 13 This is 14 A All right. I'm there. 15 Q Yes. On Bates Page 3 and I'm not trying to 16 be flip here, I'm just trying to put the context of this 17 document in the record. It says, "What is the pain?" 18 Do you see that in the middle? 19 A Yep. 20 Q And I guess EFOR means a forced outage of 21 about		
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	19	A Yep.
21 about	20	Q And I guess EFOR means a forced outage of
	21	about
22 A Equi	22	A Equi
23 Q 59 days?	23	Q 59 days?
	24	A Equivalent Forced Outage Rate, yes.
	25	Q Okay. And lost generation of 1.3757

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1	75-megawatt hours, right?
2	A Right.
3	Q Now, this was for a specific audience, but the
4	pain really is is suffered by the customers if they
5	have to pay for the replacement power and the repair
6	costs, right?
7	A I well, I guess the answer to your question
8	is yes.
9	Q Shareholders don't absorb the pain if the
10	customers pick it all up, right?
11	A I'm not I'm not sure I'd agree with that
12	statement. There's quite a bit of a pain that's felt by
13	all, Mr. Rehwinkel.
14	Q That's a fair answer.
15	Let me ask you to go to this Siemens RCE,
16	which is Exhibit 4.
17	A All right.
18	MR. REHWINKEL: And it's 4C, Mr. Chairman. I
19	think we need to give this an exhibit number, which
20	I think is 57.
21	Mr. Chairman?
22	CHAIRMAN CLARK: I'm sorry?
23	MR. REHWINKEL: I was Exhibit 4C I want
24	to give that Exhibit No I think it's 57.
25	CHAIRMAN CLARK: Yes, that is correct. My

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1	apologies.
2	MR. REHWINKEL: That's okay.
3	(Whereupon, Exhibit No. 57 marked for
4	identification.)
5	BY MR. REHWINKEL:
6	Q And this is a confidential document, so I'm
7	going to ask you not to verbalize any information unless
8	you're absolutely sure
9	A Okay.
10	Q that it is not confidential. And I think
11	my first question is to you is can you tell me the
12	date of it?
13	A The date of this?
14	Q Is that confidential?
15	A No, the date is not confidential.
16	Q Okay. And that's April 20 August 23rd,
17	2019?
18	A Well, this this is this is when this
19	is when this document here is dated, but the actual root
20	cause, itself, for Siemens finished in July. And then
21	they had a review and approval process for it. So,
22	their their root cause finished (unintelligible) our
23	root cause.
24	MR. REHWINKEL: Okay. So, if we look at
25	Exhibit 6C this is a letter dated well,

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1 Mr. Chairman, I would like to give this an exhibit 2 number. This is a confidential exhibit, 6C. And 3 that would be 58. 4 CHAIRMAN CLARK: That will be 58. 5 MR. REHWINKEL: That would be 58? Okay. (Whereupon, Exhibit No. 58 marked for 6 7 identification.) 8 BY MR. REHWINKEL: 9 Q And this would be, Mr. Coffey, a letter from 10 Siemens to FPL -- and this is confidential. So, this is 11 just summarizing the conclusions that their RCE process 12 reached with respect to the -- the fault; is that right? 13 And this is why I said their Α That's right. 14 documents were completed in July because they sent out 15 this letter on July 24th. 16 0 Okav. So, just for the record, this isn't showing that they reached a conclusion based on a phone 17 18 call that's mentioned in the letter and then they wrote 19 their -- their RCE to fit that conclusion. 20 Α No, that's not ac- -- no, that's not accurate. 21 Okay. And I wasn't trying to suggest that. 0 Ι 22 just wanted to make sure that, because they're kind of 23 the cart -- appears to be ahead of the horse, that's not 24 really what happened, right? 25 That's right. That's exactly right. Α

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1 And this document --0 2 Α Yeah, and I --3 Q Go ahead. 4 Α No, they -- the -- the date may be eluding me, 5 but I thought they completed their root cause on July 19th and this letter came out on July 24th. 6 I may 7 be off by a day or two on the July 19th -- I can look 8 that up if you need it -- but they were completed with 9 their product in July. 10 So, you -- you didn't get out ahead of Q Okay. 11 Siemens. They completed it -- and, in fact, this 12 document, which is Exhibit 58, is referenced on 13 Page 20- -- 43 of Exhibit 8 -- Exhibit 54. It has as --14 in the table, it's D45 in the -- in the documentation; 15 is that right? 16 Α Right. 17 MS. MONCADA: What -- what page of Exhibit 8 18 was it? 19 MR. REHWINKEL: 43. 20 Thank you. MS. MONCADA: Okay. 21 BY MR. REHWINKEL: 22 So, Exhibit 58 is what is D48 -- D45 in 0 Yes. 23 the sources-cited table, right? I -- I don't -- I'm not sure I understand the 24 А 25 question.

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1 0 Okay. D45 on Page 43 -- it says, St. Lucie U1 stator ground fault root-cause statement, Siemens letter 2 3 dated June 24th, 2019. 4 Α June or July 24? 5 Oh, June 24 -- okay. I -- I totally --Q Somehow -- somehow, I'm all confused right 6 Α 7 now. 8 Q I apologize. I was reading -- I saw the 24th 9 and 2019 and my mind transposed June and July. So --10 all right. 11 So, that may be a different document? 12 Α I'm not sure. Are -- I'm not -- I'm not sure 13 of the answer to that. 14 That's fine. Q Okay. 15 To the question. I know that Siemens had Α 16 their root cause that was in July. They had a letter that went out on July 24th giving an exec summary of 17 18 their root cause, and our root cause completed and was 19 signed off on August 19th. 20 It's just -- if I look at on 0 Okay. 21 Exhibit 58, the July 24 letter, it said "subject," and 22 it seems to say almost exactly the same thing that D45 23 says in that table, but it just has the date June. 24 Α Okay. I'm not sure why -- I'm not sure why 25 that's the case.

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1 0 Okay. Is it probably -- is it probable that's 2 a typo, the June, and it really is July 24th? 3 Α It -- it's possible, but I don't know that for 4 a fact. 5 Okay. And -- yeah, I understand. Q So, let's go back to the -- the 6 All right. 7 Siemens RCE, which, again, is confidential. 8 Α Okay. 9 And in the abstract section, it would Q 10 probably -- if someone wanted to fly-spec this document 11 and document Exhibit 6C, the summary in the July 24 12 letter in this abstract would probably be pretty close 13 in the conclusion of the -- of the Siemens RCE; is that 14 right? 15 Α Yeah, I believe so. 16 0 Can I get you to turn to Page 8 of the RCE, the Bates Page 8, which is confidential Page 7. 17 And 18 there's a heading, it says "2.3 general fleet data." Do 19 you see that? 20 Yes, I see that. Α 21 Okay. Now, without reading this confidential 0 22 information out -- aloud, can you look at it and answer 23 me this question: Do you have any reason to believe or 24 to disagree with this history of this type of generator? 25 I -- I don't have any reason to believe that, А

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1 no.

Q I -- I asked do you have any reason to disagree with -- with their characterization of their fleet experience.

5 A Yeah, I don't -- I don't have any reason to 6 disagree, no.

7 Okay. All right. All right. I'm going to 0 8 ask you a question that I want to make sure I don't 9 ask -- or elicit confidential information. Do you 10 believe that the Siemens RCE, which is Exhibit 57, 11 reached a conclusion about Siemens' responsibility for the -- the mechanism that caused the ground fault? 12 13 I believe that their root cause -- so, I Α 14 believe that their root cause was a technical root 15 cause, and it came up with technical causes for it and 16 not much more than that.

17 Okay. Do you think that Siemens accepted 0 18 responsibility for causing the ground fault? And I'm not asking with respect to any particular document. 19 20 I don't have any knowledge that supports or Α 21 refutes that they do. I do know that they were well-22 aware of the warranty period, themselves, and knew 23 themselves to be outside of it.

24They were -- so, I'm not aware of any25information that -- that acknowledges that -- supported

1 or refuted it. 2 Okay. All right. I want to turn away from Q 3 the April 2019 events. 4 Now, in your September testimony -- I think we 5 can put the July testimony away. As soon as I say that, I'll probably ask you a question about it, but let's 6 7 try -- move to the September 3rd testimony. 8 Α Okay. 9 Here, you discuss outages at PSL 2 and Turkey Q 10 Point 3 and 4 right? 11 Α Yes. 12 Now, isn't it true that the Turkey Point 3 0 13 outage was really a series -- as you discuss it in your 14 testimony -- really a series of related outages that --15 events that occurred over a three- to four-day period? 16 MS. MONCADA: I object to this line of 17 questioning. What's at issue before the Commission 18 today are Issues 2F and 2G. 2F has to do with the 19 St. Lucie outage at Unit 1 in 2019; and 2G has to 20 do with the St. Lucie outage in March of this year. 21 The Turkey Point outages are not at issue in 22 this docket. 23 MR. REHWINKEL: Mr. Chairman, can I respond --24 MS. MONCADA: I do recognize --25 All right. Go ahead. MR. REHWINKEL:

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1 MS. MONCADA: I recognize they are in his 2 testimony, but they are not at issue now. And, 3 Commissioners and Mr. Chairman, they are not included in the factor that we would ask the 4 5 Commission to approve in this docket. CHAIRMAN CLARK: Mr. Rehwinkel? 6 7 Yes, Mr. Chairman, I am well-MR. REHWINKEL: 8 aware of that, but we are here to determine whether 9 FPL was prudent in its actions with respect to the 10 Turkey Point -- I mean, the Port St. -- Port -- the 11 Port St. Lucie Unit 1 and the Port St. Lucie Unit 2 12 as described in Issue -- I forget -- is it 13 Issue 2H? 14 And part of the --15 It's 2- (unintelligible). MS. MONCADA: 16 Part of the factors that the MR. REHWINKEL: 17 Commission needs to consider is the overall 18 readiness and responsiveness of the FPL nuclear 19 organization to ensure that its units are prudently 20 operated. 21 We heard testimony at the beginning about -- I 22 forget the phrase, "efficient and" -- I'll have to 23 go back to the June 27th testimony -- "appropriate and efficient," and we heard testimony about the 24 25 entire nuclear organization responding as well as

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the stations.

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2 So, my testimony -- which I'm happy to 3 proffer, if -- if we have to go that route -- is to 4 explore the experience in this time frame, early 5 2019 through 2020. All right. Let me counsel 6 CHAIRMAN CLARK: 7 with my Counsel for one moment. I understand 8 Ms. Moncada's objection. 9 We're going to take -- we're going to take 10 about a two-minute recess. Let me get some advice 11 here. Just one second -- two minutes. 12 MR. REHWINKEL: Okay. Mr. -- before you do 13 that, I guess I would like clarification. Is 14 Ms. Moncada asking that you prohibit my questions? 15 MS. MONCADA: I am. 16 MR. REHWINKEL: Okav. 17 CHAIRMAN CLARK: All right. Stand by. (Brief recess.) 18 19 CHAIRMAN CLARK: Mr. Rehwinkel, can you point 20 me to the point in Mr. Coffey's testimony that 21 addressed the Turkey Point issue? 22 MR. REHWINKEL: Yes. If you'll look in his 23 September 3rd testimony, which he summarized, there 24 is, starting on Line 12 of Page 4. 25 I think that --CHAIRMAN CLARK: Okay.

1 MR. REHWINKEL: -- through Page 6, Turkey 2 Point Units 3 and 4 are both discussed. 3 CHAIRMAN CLARK: Okay. We're -- give us one 4 second. 5 MR. REHWINKEL: I -- I want to ask him questions about that and confirm it. 6 7 That's all we need right this CHAIRMAN CLARK: 8 second. 9 (Brief recess.) 10 All right. Mr. Rehwinkel, CHAIRMAN CLARK: 11 I'm going to allow the line of questioning. I just 12 want to try to keep it in the correct context. 13 Ms. Moncada, he opened the door in his direct 14 testimony -- prefiled testimony. We're going to 15 ease down this road. If there's something that 16 specifically we need to come back and address, 17 again, we'll -- we'll try it again. 18 The witness can answer the question. 19 BY MR. REHWINKEL: 20 Mr. Coffey, do you want me to repeat the 0 21 question? 22 Yes, please. А 23 Okay. So, my question was: 0 Yes. Is -- isn't 24 it true that the Turkey Point 3 outage that you refer to 25 in your testimony was really a series of related events

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1 that occurred over a three- to four-day period? 2 Α It -- it is true that there were three items 3 during the seven-day period, yes. 4 And didn't the NRC initiate a special Okav. 0 5 inspection at Turkey Point on August 31, before your testimony was filed, related to the -- those events 6 7 rel- -- in that seven-day outage period? 8 Α They did -- they did conduct a special 9 inspection at the site and they exited that special 10 inspection at the end of last week. 11 Q Okay. Was that special inspection initially 12 supposed to last a week? 13 The special inspections are not defined by a Α 14 period of time. They're -- they're special inspections. 15 So, they go on as long as the NRC determines they need 16 to do them for. 17 Okay. A special inspection is not a routine 0 18 inspection by the NRC, is it? 19 Α It's not a routine -- it's not a rou- -- well, it's not a routine -- it's not on their routine 20 21 inspection matrix, but if they -- if they determine they 22 need to do an inspection for some reason, they do an 23 inspection. 24 It is usually in response to a significant 0 25 operational power-reactor event or a significant

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1 unplanned degraded condition identified either by the 2 licensee or the NRC; is that right? 3 Α It -- it could be, but it may not be, and 4 the -- the exit from those inspections is what 5 determines whether or not it was (technical interruption) or not. 6 7 When you say exit, do you mean that they 0 8 issued a report or they left the site? 9 The -- the issue is not -- the -- the report Α 10 They have a certain period of time is not issued yet. 11 to issue the final report, but they did exit -- they did exit with us. 12 13 0 Okay. So --14 The formal -- they formal exit and then they Α 15 have 45 or 60 days to submit a report. 16 It's true -- it's 45 days, isn't it? 0 17 I -- I don't recall if it's 45 or 60, but it's Α 18 one of those two. 19 Okay. And the -- this inspection was 0 20 conducted by a five-person team led by the senior 21 inspector at the Duke Harris plant; is that right? 22 Α That's right. 23 And they included a senior reactor analyst 0 24 from NRC? 25 They did. Α

1 0 This inspection was announced a little over a month after the NRC issued a notice of apparent 2 3 violation on July 23rd regarding the falsification of documents -- of documentation of the inspection and 4 5 maintenance of a safety-related check valve at a Turkey Point unit, right? 6 7 Α Yes. 8 Q Did the FPL challenge or does FPL intend to 9 challenge that notice? 10 Mr. Chairman, now this does go MS. MONCADA: outside the corners of Mr. Coffey's testimony. 11 12 And, again, we are here on Issues 2F and 2G, and 13 none of this goes to whether FPL acted prudently 14 with respect to the two outages that are at issue. 15 CHAIRMAN CLARK: Yeah, you're wandering a 16 little bit, Mr. Rehwinkel. I kind of agree, that 17 question is --18 May I be heard? MR. REHWINKEL: 19 CHAIRMAN CLARK: Sure. 20 Okay. Earlier in cross-MR. REHWINKEL: 21 examination, as part of the testimony on the -this issue -- the 2019 St. Lucie 1 issue, we heard 22 23 testimony about the rigor of the FME program and 24 the documentation related to FME process, logging 25 of information, and documentation.

And the Commission is asked to accept that FPL has a robust and -- I don't think he used the words "state-of-the-art," but a high-quality FME exclusion program, which is, per the testimony, related to documentation and is a maintenancerelated function as well as an operational function.

8 We could undergo some more cross-examination 9 about what the NRC expects in the FME process in 10 terms of quality assurance, in terms of compliance 11 with CF- -- 10CFR50 Appendix B, but I'll spare you 12 that and say that FPL's regulatory experience with 13 respect to documentation before the NRC is relevant to the Commission's consideration about the 14 15 conditions in the nuclear segment of FPL.

16 MS. MONCADA: Mr. Rehwinkel is trying to open 17 up the entirety of FPL's nuclear operations in the 18 context of the Commission's decisions on 2F and 2G, 19 which are related to two specific outage events at 20 And that's an inappropriate the St. Lucie plant. 21 opening of the scope of what's at issue in this 22 docket. 23 CHAIRMAN CLARK: I -- I agree. I think we 24 need to keep this a little more focused onto -- to

1 Mr. Coffey -- Ms. Moncada has testified that 2 Mr. Coffey is not the correct person to answer 3 those que- -- that particular question anyway. So, 4 let's -- let's move on. 5 Well, I would like to proffer MR. REHWINKEL: my questions, then, Mr. Chairman, because this 6 7 man -- he is the vice president of nuclear. He's 8 where most of the buck stops with respect to the 9 nuclear fleet. 10 And I think, you know, I've been very 11 impressed with his knowledge and his candor. Ι 12 think he can and should answer these questions, if 13 the Commission is expected to, you know, stamp the 14 prudence of the actions related to this outage. 15 This is -- this is a lot of money that the 16 customers expect the company to answer for. And I 17 don't think that -- I mean, everyone makes 18 mistakes, but the customers are entitled to 19 understand whether the -- the actions of FPL are --20 are prudent. 21 And I want to proffer the questions and 22 You can -- you can isolate them in the answer. 23 record and we can address it in -- in post-hearing 24 filings. 25 I still think that we're CHAIRMAN CLARK:

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1 getting --2 MS. MONCADA: And I'm just saying there has 3 been no rubber stamp, Mr. Chairman. That's why --MR. REHWINKEL: I did not use the word "rubber 4 5 stamp." 6 MS. MONCADA: Okay. 7 (Simultaneous speakers.) 8 CHAIRMAN CLARK: The objection has been sustained. Let's move on. 9 10 MS. HELTON: Mr. Chairman, Mr. Rehwinkel has asked to proffer, which means that he wants to ask 11 the witness questions in an isolated portion of the 12 13 transcript and have the witness answer them. So, 14 it won't be part of the record, necessarily, on 15 which you make a decision, but he's reserving his 16 right to take issue with that on appeal. 17 CHAIRMAN CLARK: Okay. I guess we can do 18 that. 19 MS. HELTON: Yes, sir. 20 MR. REHWINKEL: And before -- before I 21 undertake that, Mr. Chairman -- and I'm not trying 22 to bargain this -- but this -- this issue -- if I 23 have to proffer this, this is going to take this 24 from a bench decision to a briefing event. 25 And -- and I'm perfectly happy to do that.

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1 And I know that -- that, you know, it -- it may be 2 that FPL is happy with that, too, but I'm entitled 3 to ask the questions, whether under a proffer or as 4 a part of the record. 5 I have no problem with you CHAIRMAN CLARK: guys briefing this thing. 6 It's -- that's 7 irrelevant to me. 8 Ms. Moncada? 9 MS. MONCADA: This is just taking it outside 10 the scope of what's at issue. I don't agree with 11 the questioning and I think, if he wants to make a 12 proffer and the Commission wants to go through that 13 process, then we'll go through it. 14 MR. REHWINKEL: Okay. 15 CHAIRMAN CLARK: What I -- what -- Ms. Helton, 16 any comments? 17 MS. HELTON: Well, Mr. Chairman, it's my 18 recommendation that, if Mr. Rehwinkel is asking to 19 make a proffer, that we need to let him make a 20 proffer. 21 So, I think you need to make -- he would need 22 to make it clear on the record that this is his 23 proffer and, when his proffer ends, that part of 24 the transcript will not be part of the record for 25 your decision. He's preserving his right to take

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1 issue with your evidentiary ruling on appeal. 2 CHAIRMAN CLARK: All right. You may begin, 3 Mr. Rehwinkel. 4 MR. REHWINKEL: Okay. So, my first 5 question --6 COMMISSIONER BROWN: Can I --7 CHAIRMAN CLARK: Oh, one -- one question. Commissioner Brown. 8 9 COMMISSIONER BROWN: I'm sorry. It just has 10 piqued my interest a little bit. I'm curious if 11 Mr. Rehwinkel had an opportunity, prior to this 12 hearing, to depose Mr. Coffey. MR. REHWINKEL: I -- I could have deposed 13 14 Mr. Coffey --15 COMMISSIONER BROWN: No, I --16 MR. REHWINKEL: -- July 27th --17 COMMISSIONER BROWN: -- before this hearing. 18 So, yeah, I've had an MR. REHWINKEL: 19 opportunity. I've not done that. 20 COMMISSIONER BROWN: Okay. Thank you. 21 Sorry, Mr. Chairman. 22 CHAIRMAN CLARK: No problem. 23 MR. REHWINKEL: And I -- I have not -- I have 24 not done that, in accordance with our burden of 25 proof, which is not to prove the lack of prudence.

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1 BY MR. REHWINKEL:

Q Okay. So, Mr. Coffey, my question is, to you: Did the NRC find that the Turkey -- that Turkey Point station personnel used a measurement from 2015 in lieu of an actual measurement that should have been taken at the time of the scheduled valve inspection in January of 2019?

8 Α No, that's not corr- -- that's not correct, 9 Mr. Rehwinkel. Turkey Point employees found that 10 discrepancy and reported that discrepancy, when they 11 found it, to the NRC. We subsequently -- and the Turkey 12 Point employees and our security staff performed a 13 formal investigation of those activities where we found 14 those personnel had falsified those records. And we 15 took aggressive action against those employees, who no 16 longer work for us, to address that issue.

That the regulators took issue with it as well was -- was not something that they had found; it was something that we had found and reported to them. So, it was a part of our normal process that we investigate and look for these things.

Now, that the NRC was interested in that maintenance activity to start with is the reason that we did the review that we did, but we answered their questions, did they actually (technical interruption) it

1 properly, and we went further to find this issue and 2 addressed it aggressively. 3 So -- and that's one of our -- that's one of 4 our contentions when you go through this process with 5 the NRC of, we found it, we took corrective actions, here is what the corrective actions were. 6 And that's 7 not been adjudicated yet. 8 Q Okay. So, the personnel you discussed -- were 9 they FPL employees or contractors? I --10 Α They were FPL employees. 11 Q Okay. And when you said that's not right, was 12 it incorrect that the employees that -- that you 13 reported to NRC had taken a 2015 measurement and used it 14 in lieu of making an actual measurement in 2019? 15 Α They -- they -- well, no, that's not -- that's 16 not correct either. 17 When they were performing their maintenance, 18 they recorded some measurements that were made with some 19 measurement and test equipment that's documented. And 20 the actual equipment they used had not been checked out 21 from the tool room. And so, they documented that it had 22 been, though, and we found that discrepancy that the 23 equipment that they say that they used wasn't on there, 24 wasn't in the room that they did the work when they did 25 the work.

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1 So -- so, basically, they knowingly falsified 2 their records and (unintelligible) them to the 3 investigation and we subsequently released them, did a root cause with that root cause being the corrective 4 5 actions that addressed all employees for NextEra, not just the ones at the Turkey Point. 6 7 The self-reporting you did -- that is your 0 8 obligation under the code; is that correct? 9 Α I mean, there was -- there are condition Yes. 10 reports that are written -- that are written on that. 11 And on condition reports of -- of those types, we also 12 talked to the regulators on-site to let them know about 13 what's going on. 14 You talked to the what on-site? Q 15 Α The regulators, the NRC regulators. 16 0 Okav. The resident inspector, you mean? 17 Yes, the -- yes, there are two resident Α 18 inspectors that are permanently at the site. 19 Okav. I guess I am -- I understand that, in 0 20 the -- the investigation report, the NRC identified that 21 there was no log -- log-out of the requisite measurement 22 tools that would have needed to be used to make the 23 documented measurements; is that fair? 24 Α Right. And so, just to put it in context, 25 some mechanics were doing work in a safety-related room

during the day. The regulator went -- the NRC inspector went several times to that room to see them do that work and he never saw them there.

He asked us if the work would -- actually been done because he didn't see them there. We pulled those peoples' gate logs for that room and, as it turns out, they were there and they had conducted the work. And we told the NRC that they had conducted the work. We -but -- and NRC was satisfied with that.

10 We didn't stop our investigation there, 11 though. We said, get the camera information, get the 12 reporter information. We continued that investigation 13 through to dot every "I," and we found other

14 discrepancies that led us to falsification of records, 15 which we addressed.

16 Q Okay. Thank you.

17 So, I think -- I had a question to you that 18 this is an extremely serious matter and I think your 19 answer to me was the termination of their employment 20 reflected that; is that fair?

21 A That's fair.

22 **Q Okay.**

CHAIRMAN CLARK: Mr. Coffey, would you adjust
 your mic? We're having a little bit of a problem
 hearing you.

1 THE WITNESS: Oh, okay. I -- all right. Is 2 that better? 3 CHAIRMAN CLARK: Yes, sir. 4 BY MR. REHWINKEL: 5 Would you agree with me that the NRC stated in 0 its actual summary that records of inspections of 6 7 safety-related equipment are material to the NRC because 8 they indicate whether the licensee is performing 9 quality, safety-related activities in cord- --10 accordance with the -- its operating procedures and NRC 11 regulations? 12 Α I agree with that statement, yes. 13 I think it's important to note, Mr. Rehwinkel, 14 that the NRC has four levels of performance, Columns 1 through 4; Column 1 being the best of the four columns. 15 16 Turkey Point and St. Lucie are and have been in Column 1 and will remain in Column 1, even subsequent to the --17 18 to the inspection discussed previously. 19 So, the -- the Florida sites are in the 20 highest level of performance with the Nuclear Regulatory 21 Commission. 22 Okay. Mr. Coffey, those are MR. REHWINKEL: 23 all the questions I have. I appreciate, again, 24 your -- your candor and your willingness to answer 25 my questions. And I thank you for your time.

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1 THE WITNESS: Thank you, sir. 2 MS. HELTON: So, that was the end of your 3 proffer, Mr. Rehwinkel? 4 MR. REHWINKEL: Yes, and it is the end of my 5 cross-examination as well. All right. Thank you very 6 CHAIRMAN CLARK: 7 much, Mr. Rehwinkel. 8 I don't believe FIPUG had an questions. 9 So, we're -- to staff, correct? 10 MS. BROWNLESS: Yes, sir. We have no 11 questions. 12 CHAIRMAN CLARK: Ms. Brownless. 13 Oh, I said, we have no MS. BROWNLESS: 14 questions. 15 CHAIRMAN CLARK: Oh, I'm sorry. I thought you 16 said, we have questions. 17 MS. BROWNLESS: Oh, no, sir. 18 My apologies. CHAIRMAN CLARK: I'm -- I'm 19 sitting here confused. Staff has no questions. 20 Commissioners, the floor is yours. Anv 21 Commissioner questions for Mr. Coffey? 22 All right. Commissioners have no --23 COMMISSIONER POLMANN: Mr. --24 CHAIRMAN CLARK: -- questions -- yes, 25 Commissioner Graham -- somebody spoke.

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1 COMMISSIONER POLMANN: No, I was going to say, 2 Mr. Chairman, my -- Commissioner Polmann. 3 CHAIRMAN CLARK: Commissioner Polmann. 4 COMMISSIONER POLMANN: I was going to say my 5 questions have been answered. Thank you, Mr. Chairman. 6 7 CHAIRMAN CLARK: Thank you, sir. All right. Ms. Moncada, redirect. 8 9 MS. MONCADA: Very briefly. 10 FURTHER EXAMINATION 11 BY MS. MONCADA: 12 Just for clarity of the record, Mr. Coffey, 0 13 you explained the FME program that F- -- that FPL 14 implements. And you gave certain examples like the 15 con- -- the controlled environment, the watches, the 16 barricades, the separation between the rebuild and the 17 inspections, the cleaning, the vacuum. 18 Were all of those in place during the 2012 19 rewind? 20 Α A lot of them was in place, yes. 21 MS. MONCADA: That's my redirect. That. 22 concludes my redirect, Mr. Chairman. 23 CHAIRMAN CLARK: All right. Let's talk 24 exhibits. Ms. Moncada? 25 FPL has no exhibits. MS. MONCADA: Thank you.

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1 MS. BROWNLESS: OPC. 2 CHAIRMAN CLARK: Mr. Rehwinkel. 3 MR. REHWINKEL: Yes, Mr. Chairman, I -- I 4 would ask if I could get agreement from Counsel --5 we briefly discussed -- well, actually -- strike that. 6 7 We would like to introduce Exhibit --8 Exhibits 53 through 58. 9 MS. MONCADA: Can I just ask, Mr. Rehwinkel, 10 if you know whether -- if any of those are 11 confidential -- and I believe some of them are --12 whether we have confidentiality orders in place for 13 them? 14 MR. REHWINKEL: It is my understanding that 15 all of these documents were covered by -- I don't 16 know about orders. I know that they -- that we 17 only received them because there was a notice of 18 I don't know the status of any RCC. intent. 19 MS. MONCADA: Okay. I don't know either 20 because I didn't know which ones you were intending 21 to introduce as opposed to identify and discuss 22 without introducing. And I'm wondering if maybe 23 this is a matter we can handle after the conclusion 24 of this hearing with staff to ensure that we have 25 the correct protections in place.

1 CHAIRMAN CLARK: Rather --2 MR. REHWINKEL: I'll tell you, Issue --3 Exhibit 53 and 57 and 58 are confidential. 4 MS. MONCADA: 53, 57, 58. 5 MR. REHWINKEL: Yeah, those -- those are Exhibits 4C, 6C, and 7C. 6 7 Mr. Chairman, I -- I am willing to -- well, I don't know if we have redacted versions of these 8 9 That's what I don't know. documents. 10 CHAIRMAN CLARK: Let me check with 11 Ms. Brownless, Mr. Rehwinkel. 12 Ms. Brownless? 13 I think the easiest thing to MS. BROWNLESS: 14 do here, because we do have a -- I don't know if 15 these materials were provided previously pursuant 16 to notices of intent or to formal requests for 17 confidentiality. 18 Looking at them, I don't think they have been 19 the subject of formal requests for confidentiality, 20 which would have had to have been filed by 21 Ms. Moncada and FP&L. 22 So, maybe we could just agree now that they be admitted into evidence and kept confidential 23 24 pending a request for confidentiality of Iss- -- of 25 Exhibit 53, 57, and 58, should, upon our

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1 exploration, we find out that they're not already 2 the subject of either a confidentiality order or a 3 request. 4 CHAIRMAN CLARK: Ms. Moncada, can you agree to 5 that? 6 MS. MONCADA: I can. 7 MR. REHWINKEL: Yes --CHAIRMAN CLARK: Mr. Rehwinkel? 8 9 MR. REHWINKEL: Ordinarily, the discovery is 10 subject to an NOI, if it only comes to the Public 11 Counsel. And then, if we bring it into the hearing 12 and try to introduce it and it's introduced, then 13 that triggers the requirement to do an RCC. 14 So, you're in agreement with MS. BROWNLESS: 15 that process? 16 CHAIRMAN CLARK: So, does that mean --17 MR. REHWINKEL: Yes, I --18 CHAIRMAN CLARK: -- you're in agreement? 19 MR. REHWINKEL: Yes. Yeah, I -- I think 20 it's -- it's appropriate. 21 It's -- I was wondering, Mr. Chairman --22 normally, when we're in a -- the live hearing room, 23 Counsel will have an opportunity to confer, but --24 we don't really have that opportunity on here. Ι 25 was wondering if we could take a five-minute break

1	and Ms. Moncada and I could talk.
2	CHAIRMAN CLARK: I have no objection. We'll
3	take a five-minute recess, give you guys time to
4	huddle.
5	(Brief recess.)
6	CHAIRMAN CLARK: All right. We are ready to
7	go back on the record.
8	Mr. Rehwinkel.
9	MR. REHWINKEL: Yes, Mr. Chairman and
10	Commissioners, Ms. Moncada and I have conferred and
11	we think a reasonable resolution of the conclusion
12	of this hearing and FPL's role in this docket would
13	be that Public Counsel does not move Exhibits 53,
14	57, and 58 into the record, but instead only 54,
15	55, and 56; and that the proffer restrictions on
16	that Q-and-A is removed and it becomes part of the
17	transcript of the record.
18	The Public Counsel will make a brief closing
19	statement and we will waive briefs and and allow
20	the Commission to take this to a bench vote based
21	on the record before them.
22	CHAIRMAN CLARK: Okay. Ms. Moncada, you're in
23	agreement.
24	MS. MONCADA: I am.
25	CHAIRMAN CLARK: All right. We will
1	

1	Ms. Brownless.
2	MS. BROWNLESS: I just want to make sure I
3	understand what's going on because, actually you
4	were cutting in and out a little bit, and I was a
5	little confused.
6	So, what exhibits are we going to admit into
7	the record? Or what exhibits do you
8	MR. REHWINKEL: 54 through 56.
9	MS. BROWNLESS: 54 and 56 only?
10	CHAIRMAN CLARK: 54, 55, and 56.
11	MS. BROWNLESS: 54, 55, and 56.
12	MR. REHWINKEL: Yes.
13	MS. BROWNLESS: And everybody is okay with
14	those going into the record.
15	MS. MONCADA: No objection.
16	MS. BROWNLESS: Okay. And you're not going to
17	tender 53, 57, or 58.
18	MR. REHWINKEL: Correct.
19	MS. BROWNLESS: And then you would like to
20	make a brief closing argument; is that correct?
21	MR. REHWINKEL: Yes, very brief, and then we
22	will waive briefing.
23	MS. BROWNLESS: You will waive briefing after
24	your you're going to do a closing statement
25	closing argument in lieu of a brief so that you

1	waive briefs.
2	And you got these admitted into the record.
3	CHAIRMAN CLARK: And the proffered testimony
4	is also
5	MS. BROWNLESS: And the proffered testimony
6	becomes non-proffered.
7	MR. REHWINKEL: Correct.
8	MS. BROWNLESS: Okay. Thank you so much.
9	CHAIRMAN CLARK: Everybody clear?
10	We're all good. Okay.
11	Back to we've got all your exhibits in,
12	Mr. Rehwinkel. Those are moved into the record.
13	(Whereupon, Exhibit Nos. 54, 55, 56 were
14	admitted into the record.)
15	CHAIRMAN CLARK: And am I missing anything
16	before we excuse the witness?
17	MR. REHWINKEL: Mr. Chairman?
18	CHAIRMAN CLARK: Mr. Rehwinkel.
19	MR. REHWINKEL: Mr. Chairman, I don't know if
20	Counsel for FIPUG is on the line. They've adopted
21	our position in here and I'm not trying to throw
22	a monkey wrench in here, but I I think it would
23	be helpful for the for the record, if they are
24	agreeable to waiving briefing. I didn't we
25	only Ms. Moncada and I talked. I I didn't ask

1	them.
2	CHAIRMAN CLARK: Okay. Understood.
3	Ms. Putnal, are you still on the line?
4	MS. PUTNAL: Yes. Thank you.
5	CHAIRMAN CLARK: Are you willing to waive
6	briefs?
7	MS. PUTNAL: So, I yes, FIPUG waives its
8	closing statement and briefing as to FP&L.
9	CHAIRMAN CLARK: All right. All clear.
10	All right. Anything else before we allow the
11	witness to be excused? Ms. Moncada, would you like
12	to excuse your witness?
13	MS. MONCADA: Yes, please, we would ask that
14	Mr. Coffey be excused.
15	CHAIRMAN CLARK: All right. Mr. Coffey is
16	excused.
17	All right. That concludes all of our witness
18	testimony. So, y'all are going to have to be a
19	little patient with me as we go through and manage
20	this last portion of the hearing.
21	Ms. Brownless, where is what's our status?
22	Where do we stand in the proceeding?
23	MS. BROWNLESS: Okay. With regard to the
24	FPUC, Gulf, and TECO, all issues for FPUC, Gulf,
25	and TECO have been stipulated to and approved by

the Commission.

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With these facts in mind with regard to FPUC, Gulf, and TECO, there is no need for briefs or further Commission action to resolve the issues before us today.

FP&L Issues 2A, 2B, 2C, 2D, 2E, 2H, 6, 7, 11, 16, 17, 19, 21, 24A, 24B, and 27 through 36 have been stipulated to and approved by the Commission. No further action is required by the Commission on these issues.

11 FP&L Issues 2F, 2G, 8, 9, 10, 18, 20, and 22 12 are outstanding. We've just heard Mr. Rehwinkel 13 and FP&L say that Mr. Rehwinkel and the other 14 intervenors would like the opportunity to make 15 closing arguments and are willing to waive post-16 hearing briefs.

17 So, at this time, we would listen to 18 Mr. Rehwinkel's closing argument. And, after that, 19 the Commission would have the ability to conduct a 20 bench vote on these issues, if you wish to do so. 21 CHAIRMAN CLARK: Continue with the Duke. 22 MS. BROWNLESS: With regard to Duke, no Duke 23 issues have been stipulated or approved by the 24 Parties have the ability to brief Commission. 25 these issues or to offer three-minute closing

1 arguments with regard to these issues. 2 Should the parties choose to make closing 3 arguments and waive post-hearing briefs, at the 4 conclusion of closing arguments, the Commission has 5 the ability to conduct a bench vote on these issues, should it wish to do so. 6 7 So, I guess, at this time, we need to figure 8 out what the position of the parties is with regard 9 to post-hearing briefs. 10 CHAIRMAN CLARK: All right. Well, let's go 11 ahead and take the FPL issue up and dispose of that 12 and then we'll come back to the -- to the Duke 13 issue when we get -- get to that point. 14 So, let's begin closing arguments. We will 15 begin with OPC. FIPUG waived. PCS is not 16 involved. And so, we'll do OPC and then FPL. 17 Mr. Rehwinkel, you're recognized for your 18 closing argument. 19 MR. REHWINKEL: Thank you, Mr. Chairman, 20 Commissioners. 21 The Public Counsel is concerned that customers 22 are paying for mistakes that are being made in a 23 nuclear-generation business that includes the 24 wholesale market and which regulated FPL and 25 regulated FPL-affiliated nuclear units participate

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1 and in which public information demonstrates that 2 the nuclear generation is increasingly out of the 3 money, in a situation where we believe FPL has not 4 met its burden of justifying that its management 5 was prudent in incurring the costs related to the outages at -- the outage at Port -- at -- at PSL 1, 6 7 or St. Lucie Unit 1, in April of 2019. Commissioners, FPL has not demonstrated that 8 9 it took appropriate measures to protect customers 10 from poor workmanship in the rewinding of the 11 PSL 1 main generator in 2012. 12 FPL has, instead, proven that the sole cause 13 of the failure of the generator was caused by 14 actions or inactions of its vendor. FPL has 15 focused its testimony on efforts to inspect the 16 unit after the work was performed and to inspect 17 certain vendor functions, but it has not 18 demonstrated that it protected customers from harm related to inadequate foreign-material exclusion 19 We believe 20 during the performance of its work. 21 this does not meet its burden under the law. 22 Thank you. 23 CHAIRMAN CLARK: All right. Thank you, 24 Mr. Rehwinkel. 25 Ms. Moncada.

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MS. MONCADA: Thank you, Mr. Chairman. Mr. Coffey has explained in his prepared testimony as well as his live testimony today that the mechanism of injury that caused the outage last spring at St. Lucie Unit 1 was introduced during the 2012 rewind.

7 During that rewind process, FPL had industry-8 best FME program and processes in place, and we 9 required that Siemens also implement these best 10 We performed all inspections and practices. 11 testing consistent with industry standards and 12 manufacturers' recommendations. The fact that a 13 microscop- -- microscopic particle or other 14 contaminant or damage still was introduced does not 15 mean FPL was imprudent.

16 The Commission has ruled many times, and the 17 Florida Supreme Court has affirmed, that the 18 standard for evaluating prudence is what a 19 reasonable utility manager would have done in light 20 of the conditions and circumstances which were 21 known or should have been known at the time the 22 decision was made. This is a standard that focuses 23 on management and decision-making; it does not look 24 at the results and make a judgment based on 25 hindsight.

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1 To that end, Mr. Coffey explained in detail 2 that FPL had rigorous processes in place. It had a 3 highly-controlled environment. It included watches that maintained strict access and cleanliness 4 5 controls. And, in fact, we got to see some of the tenting in one of the exhibits that Mr. Rehwinkel 6 7 presented today.

8 They were scheduling things in a (unintelligible) fashion to ensure that the 9 10 demolition activities were separated from 11 construction activities. There were cleaning 12 activities to ensure the greatest likelihood of 13 There were inspection and quality-control success. 14 points. And all of these were validated, as 15 Mr. Coffey explained, to make sure they were done 16 properly.

17 As for the -- I'm sorry -- Issue 2G, which 18 involves the return-to-service delay, you didn't 19 really hear any testimony about that live today, 20 but one of the exhibits, Exhibit 49 that went into 21 the record, explains that the only management 22 decision to be evaluated was how St. Lucie estimated the time it would take to complete the 23 24 outage. 25 The decision was made to estimate based on

1 standard configuration and it turns out the 2 equipment was not in that configuration, but the 3 total amount of time for the outage would not have 4 changed either way. 5 Commissioners, FPL has satisfied the standards for demonstrating prudence and no adjustments 6 should be made with respect to the replacement 7 8 power costs related to the April 2019 outage at St. Lucie Unit 1, or the March 2020 return-to-9 10 service delay at St. Lucie Unit 2. 11 That concludes my -- my closing statement. 12 CHAIRMAN CLARK: All right. Thank you, 13 Ms. Moncada. 14 Okay. We are prepared, I assume, for a bench 15 decision, pending Commissioners' objections to a 16 bench decision. I see no objection. 17 Ms. Brownless, do you have staff 18 recommendation on Items 2F, 2G, 8, 9, 10, 18, 20, 19 and 22? 20 MS. BROWNLESS: The outstanding issues that 21 have not been stipulated to, 2F and 2G -- the staff 22 is available to make recommendations on those 23 Mr. Wooten, I think, is available to issues. 24 discuss those. 25 CHAIRMAN CLARK: Okay. Mr. Wooten, are you on

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1 the line? 2 MR. WOOTEN: Good afternoon. Orlando Wooten, 3 here. 4 CHAIRMAN CLARK: We'll entertain your 5 recommendation on Item 2F and 2G. Good afternoon, Commiss- -- Or-6 MR. WOOTEN: 7 good afternoon, Commissioners. Orlando Wooten. 8 FPL filed, as part of its petition for fuel 9 cost recovery, for replacement fuel costs of the 10 April 2019 forced outage of the St. Lucie Nuclear 11 Power Plant Unit No. 1, and March 2020 return-to-12 service delay of the St. Lucie Nuclear Power Plant 13 Unit No. 2. 14 Based on the evidence in the record, staff 15 recommends that both the forced outage and return-16 to-service delay were handled prudently by the 17 company and no adjustments are necessary for 18 replacement power costs. 19 Both unplanned outages were caused by 20 situations out of the company's control and, when 21 the issues were identified, they were handled as 22 quickly and safely as possible. 23 The total -- total combined replacement power 24 costs for the unplanned outages is approximately 25 \$19 million.

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1	Staff recommends approval of Issue
2	Issues 2F and 2G and is available for questions.
3	CHAIRMAN CLARK: All right. Thank you,
4	Mr. Wooten.
5	Mr. Higgins, you want or Ms. Brownless, you
6	want to go
7	MS. BROWNLESS: Yes.
8	CHAIRMAN CLARK: through it through them
9	all at one time?
10	MS. BROWNLESS: Well, what I'd like is for
11	Mr. Wooten to please read his recommendation for
12	Issue 2F as well as his further recommendation for
13	2G into the record.
14	CHAIRMAN CLARK: Isn't that what he just did?
15	MS. BROWNLESS: He gave a short summary
16	CHAIRMAN CLARK: Okay.
17	MS. BROWNLESS: but there are there is
18	more- specific language.
19	MR. WOOTEN: Yes, I can provide more-specific
20	language, if that's requested.
21	In regards to Issue 2F do you want me to
22	state the issue as well?
23	MS. BROWNLESS: No, just say Issue 2F and go
24	with your explanation here, Mr. Wooten.
25	MR. WOOTEN: Okay. Issue 2F yes, during
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operations, St. Lucie Unit No. 1 experienced a
 ground fault that caused an automatic shut-down
 response.

4 After analysis was performed, this is believed 5 to have been caused by the introduction of a foreign material by a vendor in 2012. 6 This foreign 7 material degraded the insulation of the generator 8 gradually, causing a failure that led to the 9 shutdown in 2019. The prepared performance was a 10 full rewind of the generator over 49 days.

Based on the evidence contained in the record, the April 2019 forced outage at St. Lucie Nuclear Power Plant Unit No. 1 was handled prudently and the associated replacement power costs are reasonable.

16 In regards to Issue 2G: Yes, during the 2020 17 outage, FPL attempted a planned replacement of an 18 electrical switch gear required for plant 19 operation. During this planned replacement, an 20 interfacing -- and interfacing conflict was 21 discovered, which increased the scope of the work 22 of the replacement. 23 FPL was previous- -- previously aware of the 24 possibility of the conflict and, as a contingency 25 prior to the spring 2020 outage, FPL procured and

1 received all necessary materials to correct the 2 potential issue; however, the duration required to 3 correct the configuration discrepancy was not 4 accounted for in the original outage schedule and, 5 due to limited accessibility during plant 6 operations, a longer outage duration was necessary. 7 Based on the evidence contained in the record, 8 the March 2020 forced outage at St. Lucie Nuclear 9 Power Plant Unit No. 2 was handled prudently and 10 the associated re- -- replacement power m- --11 replacement power costs are reasonable. 12 And at this time, if MS. BROWNLESS: 13 Mr. Higgins -- Higgins could give a recommendation 14 with regard to Issues 8, 9, 10, 18, 20, and 22. MR. HIGGINS: 15 Yes. Yes, ma'am. Hello, 16 Commissioners. Devlin Higgins with Commission 17 staff. 18 Staff would recommend, concerning FPL, for 19 Issues 8, 9, 10, 18, 20, and 22, to adopt the 20 company- -- or to approve the company's position on 21 those issues as laid out in Order 22 No. PSC-20200415PHO-EI, or the prehearing order, as 23 outlined. 24 And staff is available for any questions you 25 may ask. Thank you.

1 CHAIRMAN CLARK: Okay. That's adopt company 2 positions on all items, right --3 MS. BROWNLESS: Yes. 4 CHAIRMAN CLARK: -- Ms. Brownless? Okay. 5 We're good. All right. Commissioners, do you have any 6 7 questions? Any questions? Commissioner Brown. 8 9 COMMISSIONER BROWN: I -- I just have a 10 I appreciate staff making their comment. 11 recommendations on these contested issues orally 12 And I -- I say I believe Witness Coffey -today. I think he was very credible in his testimony and 13 14 his extensive explanations to decisions that were 15 made were valid and prudent. 16 Additionally, I think the exhibits that are in 17 the record as well as the other materials support this conclusion. And, with that, I would support 18 19 the staff recommendation on these contested issues. 20 CHAIRMAN CLARK: All right. We have a motion 21 to approve staff's recommendation. Do we have a 22 second? 23 COMMISSIONER POLMANN: Second. 24 COMMISSIONER FAY: Second. 25 A motion and a second. CHAIRMAN CLARK:

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1 Is there any discussion? On the motion, all 2 in favor, say aye. 3 (Chorus of ayes.) 4 CHAIRMAN CLARK: Opposed? 5 Motion carries. The item is approved. All right. Next, with regard to Duke, I would 6 7 ask the principals if they would like to make -- if 8 they plan to brief on the Duke issues. 9 Mr. Rehwinkel? 10 The Public Counsel does --MR. REHWINKEL: 11 yes, the Public Counsel intends to brief. 12 All right. Public Counsel CHAIRMAN CLARK: intends to brief. That pretty much sums all of 13 14 that up, then. 15 Ms. Brownless, what's the time line of the 16 briefing schedule? 17 MS. BROWNLESS: Briefs are limited to 40 pages 18 and are due on November 10th of 2020. A post-19 hearing special agenda will be held on 20 December 15th, 2020. 21 All right. Staff, are there CHAIRMAN CLARK: 22 any other matters outstanding that need to be 23 addressed at this time? 24 MS. BROWNLESS: No, sir, not at this time. 25 Mr. -- Mr. Chairman? MR. BERNIER:

1 CHAIRMAN CLARK: Yes. Who was that? 2 MR. BERNIER: I apologize. Matt Bernier for 3 Duke Energy. 4 CHAIRMAN CLARK: Mr. Bernier. 5 If I could, real quickly --MR. BERNIER: 6 thank you. 7 I recognize that staff is not in a position to make recommendations on certain of our issues that 8 9 are -- have not really been discussed here today, 10 but for going forward and to make sure that I do 11 not waive this objection if this is raised again 12 next year, Duke Energy would like, for the record, 13 to object to OPC and FIPUG and PCS Phosphate being 14 able to brief any issue on which they did not take 15 a substantive position in this docket. 16 They have identified Issues 1A and 11 and then 17 fallout issues 10, 18, 20, and 22, but on all 18 remaining issues, they took no position and pointed 19 out that Duke has the burden of proof, which is 20 still not a position. 21 FIPUG and PCS adopted that "no position" and I 22 think, under the -- the rules that we go by in the 23 prehearing, if you don't take a position prior to 24 hearing, you're not permitted to contest those 25 issues and brief them.

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1 I recognize we're not in the position for a 2 bench vote, but I want to make sure that that 3 objection is on the record going forward. 4 CHAIRMAN CLARK: Your objection is duly noted. 5 MR. BERNIER: Thank you. Any other matters? 6 CHAIRMAN CLARK: 7 Commissioners, any --Mr. -- Mr. Chairman? 8 COMMISSIONER POLMANN: 9 Mr. Chairman? 10 Yes, Commissioner Polmann. CHAIRMAN CLARK: 11 COMMISSIONER POLMANN: May or may not be 12 appropriate, but I think that Mr. Bernier raises, I 13 would say, a good point. I don't know if it's 14 something that our advisor -- the legal advisor 15 feels comfortable making any comment on, but I -- I 16 take it as wholly significant, valid point. 17 It may simply be procedural. It may be a 18 legal point. I don't want to force the issue, but 19 I want to respect the point, Mr. Chairman. 20 CHAIRMAN CLARK: All right. I'm going to ask 21 Ms. Helton or Mr. Hetrick, one, if they would 22 address this item for us. 23 Ms. Brownless, would you --24 MS. BROWNLESS: Yes. 25 CHAIRMAN CLARK: You seem prepared and ready.

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1 MS. BROWNLESS: With regard to Yes. 2 Mr. Bernier's point, we spent -- staff spent a 3 significant amount of time trying to get the 4 parties to agree to which issues could be 5 stipulated to and which could not. And we -- we were aware that there were 6 7 issues, as Mr. Bernier correctly points out, in 8 which eventually the Office of Public Counsel took 9 the position that they had no position and wanted 10 their very-descriptive language elicited in there to what "no position" meant. 11 12 We simply ran out of time to run that all to 13 The idea staff had was, since we got to ground. 14 this time, that the OPC would not file briefs on 15 those issues, but would only file a brief on the 16 issue that they actively contested, Issue 1A and 17 11, and 18, 20, and 22. 18 And I apologize for that, but we simply ran 19 out of time. 20 CHAIRMAN CLARK: Okay. Is that your 21 agreement, Mr. Rehwinkel? Is that your intention? 22 We're -- we're only here MR. REHWINKEL: Yes. 23 about Bartow and -- and the cascading dollars. 24 CHAIRMAN CLARK: Fallout from it? Okay. 25 There's -- there's no hidden MR. REHWINKEL:

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1 agenda here where we're trying to kind of keep 2 other issues in our hip pocket to bring out in the 3 future. 4 I -- I have no problem with what Mr. --5 Mr. Bernier said. We don't have a hidden agenda. 6 CHAIRMAN CLARK: Okay. Very good. 7 And I wasn't suggesting he's MR. REHWINKEL: 8 saying we were. He was doing the right thing. 9 Absolutely correct. CHAIRMAN CLARK: 10 MR. BERNIER: Thank you. 11 CHAIRMAN CLARK: Understood. All right. 12 We're all good. 13 Any other questions? Commissioners? Anything 14 else? 15 All right. If there is nothing else, I 16 believe that concludes all of our matters for 17 today. Thank you all very much for your 18 participation and your indulgences today. We were 19 able to get through all the clause dockets in a 20 one-day hearing, and I think that's pretty amazing. 21 So, special thank you to all of the parties 22 involved for your hard work and to the staff that 23 worked on -- numerous hours on getting us to this 24 point and to an absolutely wonderful prehearing 25 officer who did a fantastic job. So, thank you

1	all.	Have a grea	at da	ay.			
2		We stand ad	jour	ned.			
3		(Whereupon,	the	proceedings	concluded	at	5:12
4	p.m.)						
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