



Jessica Cano
Principal Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5226
(561) 691-7135 (Facsimile)

REDACTED

April 22, 2010

VIA HAND DELIVERY

Ms. Ann Cole
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

RECEIVED-FPSC
10 APR 22 PM 2:53
COMMISSION
CLERK

100009-EI

Re: Docket No. 080009-EI; Nuclear Power Plant Cost Recovery Clause

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") are an original and seven (7) copies of its Revised Request for Confidential Classification regarding confidential information included in the testimony and exhibits of William R. Jacobs, Jr., Ph.D. filed in Docket No. 080009-EI. The original includes Revised Exhibits A through D. The seven (7) copies include Revised Exhibits B through D only.

Revised Exhibit A consists of the confidential documents, and all information that FPL asserts is entitled to confidential treatment has been highlighted. Revised Exhibit B is an edited version of Revised Exhibit A, in which the information FPL asserts is confidential has been redacted. Revised Exhibit C consists of FPL's justification for its Revised Request for Confidential Classification. Revised Exhibit D contains three affidavits in support of FPL's Revised Request for Confidential Classification. Also included in this filing is a compact disc containing FPL's Revised Request for Confidential Classification and Revised Exhibit C only in Microsoft Word format.

Please contact me if you or your Staff has any questions regarding this filing.

Sincerely,

Jessica Cano
Jessica A. Cano

COM _____
APA _____
ECR 5
GCL 1+CD
RAD _____
SSC _____
ADM _____
OPC _____
CLK 1

Enclosures

cc: Parties of Record (w/out enc.)

Docket #100009-EI

DOCUMENT NUMBER-DATE

03164 APR 22 2

FPSC-COMMISSION CLERK

In re: Nuclear Power Plant)
Cost Recovery Clause)

**FLORIDA POWER & LIGHT COMPANY'S
REVISED REQUEST FOR CONFIDENTIAL CLASSIFICATION OF INFORMATION
CONTAINED IN THE REVISED DIRECT TESTIMONY AND EXHIBITS
OF WILLIAM R. JACOBS, JR., Ph.D.**

1. On August 20, 2008, pursuant to Rule 25-22.006, Florida Administrative Code, FPL filed its Request for Confidential Classification of Information Contained in the Revised Direct Testimony and Exhibits of William R. Jacobs, Jr., Ph.D. No order has been issued on FPL's August 20, 2008 Request.

3. The following exhibits are included with and made a part of this request:

a. Revised Exhibit A consists of a copy of the confidential pages on which all information that FPL asserts is entitled to confidential treatment has been highlighted.

b. Revised Exhibit B consists of a copy of the confidential pages on which all information that FPL asserts is entitled to confidential treatment has been redacted.

c. Revised Exhibit C is a table containing an identification of the information highlighted in Exhibit A, together with references to the specific statutory basis or bases for the claim of confidentiality and to the affidavit in support of the requested classification. The items in bold reflect changes over the original Exhibit C (i.e., a reduction to the amount of information for which confidential classification is being sought).

d. Revised Exhibit D includes the affidavit of Terry Jones in support of this request.

4. FPL submits that the highlighted information in Exhibit A is proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes. This information is intended to be and is treated by FPL as private, and its confidentiality has been maintained. Pursuant to Section 366.093, such information is entitled to confidential treatment and it is exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.

5. As the affidavit included in Revised Exhibit D indicates, the confidential information highlighted in Revised Exhibit A relates to competitive interests, and its disclosure could impair the competitive business of the provider of the information. This includes competitively sensitive information provided to FPL by other entities on the condition that it is maintained as confidential. Such information is protected by Section 366.093(3)(e), Florida

Statutes. Also included is contractual data, the public disclosure of which would violate nondisclosure terms of FPL's contracts with vendors and impair FPL's ability to contract for goods or services on favorable terms in the future. Such information is protected by Section 366.093(3)(d), Florida Statutes.

6. Nothing has changed since FPL's original filing on August 20, 2008, to render the information highlighted in Revised Exhibit A and referenced in Revised Exhibit C stale or public, such that continued confidential treatment would not be appropriate. Upon a finding by the Commission that this information is proprietary confidential business information, it should not be declassified for a period of at least eighteen (18) months from the date the order is issued, and it should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business. *See* § 366.093(4), Fla. Stat. Further, because the exhibits attached hereto are intended to supersede those filed with FPL's August 20, 2008 Request, FPL requests that the confidential documents filed as Exhibit A with that request be returned at this time.

WHEREFORE, FPL respectfully requests that the Commission grant confidential classification of the material described herein.

Respectfully submitted,

Jessica A. Cano
Principal Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5226
Facsimile: (561) 691-7135

By: 

Jessica A. Cano
Fla. Bar No. 0037372

CERTIFICATE OF SERVICE
DOCKET NO. 100009-EI

I HEREBY CERTIFY that a true and correct copy of FPL's Revised Request for Confidential Classification of Information Contained in the Revised Direct Testimony and Exhibits of William R. Jacobs, Ph.D., without attachments, was served by hand delivery* or by U.S. Mail this 22nd day of April, 2010, to the following:

Anna Williams, Esq.*
Lisa Bennett, Esq.
Keino Young, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
LBENNETT@PSC.STATE.FL.US
KYOUNG@PSC.STATE.FL.US
ANWILLIA@PSC.STATE.FL.US

J. Michael Walls, Esq.
Carlton Fields Law Firm
P.O. Box 3239
Tampa, Florida 33601-3239
mwalls@carltonfields.com
Attorney for Progress

Jon C. Moyle, Jr.
Vicki Gordon Kaufman
Keefe Anchors Gordon & Moyle, PA
118 North Gadsden Street
Tallahassee, Florida 32301
vkaufman@kagmlaw.com
jmoyle@kagmlaw.com
Attorneys for FIPUG

R. Alexander Glenn, Esq.
John T. Burnett, Esq.
Progress Energy Service Company, LLC
P.O. Box 14042
St. Petersburg, Florida 33733-4042
john.burnett@pgnmail.com
alex.glenn@pgnmail.com
Attorneys for Progress

J. R. Kelly, Esq.
Charles Rehwinkel, Esq.
Joseph McGlothlin, Esq.
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399
mcglothlin.joseph@leg.state.fl.us
Kelly.jr@leg.state.fl.us
Rehwinkel.Charles@leg.state.fl.us

Dianne M. Triplett, Esq.
Progress Energy Florida
229 1st Avenue N PEF-152
St. Petersburg, Florida 33701
dianne.triplett@pgnmail.com
Attorney for Progress

John W. McWhirter, Jr., Esq.
Davidson McWhirter, P.A.
PO Box 3350
Tampa, Florida 33601
jmcwhirter@mac-law.com
Attorney for FIPUG

James W. Brew, Esq.
F. Alvin Taylor, Esq.
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, NW
Eighth Floor, West Tower
Washington, DC 20007-5201
jbrew@bbrslaw.com
ataylor@bbrslaw.com
Attorneys for PCS Phosphate

Randy B. Miller
White Springs Agricultural Chemicals, Inc.
Post Office Box 300
15843 Southeast 78th Street
White Springs, Florida 32096
RMiller@pcsphosphate.com

Mr. Paul Lewis, Jr.
106 East College Ave., Suite 800
Tallahassee, Florida 32301-7740
paul.lewisjr@pgnmail.com

Captain Shayla L. McNeill
Air Force Legal Operations Agency (AFLOA)
Utility Litigation Field Support Center (ULFSC)
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403-5319
shayla.mcneill@tyndall.af.mil

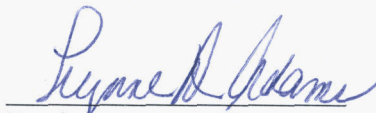

By: 
 Jessica A. Cano
Florida Bar No. 0037372

EXHIBIT B

DOCUMENT NO. DATE

03164-10 4/22/10
FPSC - COMMISSION CLERK

1

1 recovery of ***BEGIN CONFIDENTIAL SECTION*** [REDACTED] ***END

2 CONFIDENTIAL SECTION*** in 2009 for the Levy Nuclear Project.

3

4 **Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?**

5 A. First I will briefly describe the methodology used in my evaluation of the filings by FPL
6 and PEF. Next I will describe a policy issue that is common to both FPL and PEF.
7 Following this I will present the results of my evaluation of FPL's request for
8 authorization to collect costs and then I will provide the results of my evaluation of
9 PEF's request for authorization to collect costs.

10

11

IV. Methodology

12

13 **Q. PLEASE DESCRIBE THE METHODOLOGY THAT YOU USED TO REVIEW**
14 **AND EVALUATE THE REQUESTS FOR AUTHORIZATION TO COLLECT**
15 **COSTS SUBMITTED BY FPL AND PEF UNDER THE NUCLEAR COST**
16 **RECOVERY RULE.**

17 A. I first reviewed the Nuclear Cost Recovery Rule to gain an understanding of the process
18 and of the schedules included in the Companies' filings. Next, I reviewed the
19 Companies' filings in this docket. Working with counsel for OPC, I helped prepare
20 numerous interrogatories and requests for production of documents. Following an initial
21 review of the documents produced by the Companies, I assisted Office of Public
22 Counsel attorneys in deposing Company witnesses to further explore areas of interest.

23 Numerous late filed exhibits were requested during the depositions to provide additional
24 information relating to the Companies' requests.

1 or single source contracts, even though FPL identified more firms than one that were
2 capable of performing the needed work.

3
4 **Q. DID YOU REVIEW FPL'S PROCEDURE THAT CONTROLS CONTRACTING**
5 **AND NUCLEAR RELATED PROCUREMENT ACTIVITIES?**

6 A. Yes, I reviewed FPL Nuclear Division Nuclear Policy NP-1100 Revision 15, dated
7 02/25/08. This procedure is entitled "Procurement Control." It specifically addresses the
8 requirements for issuing a sole or single source contract.

9
10 **Q. PLEASE DESCRIBE THE REQUIREMENTS OF NP-1100 RELATED TO SOLE**
11 **SOURCE OR SINGLE SOURCE CONTRACTS.**

12 A. NP-1100 clearly specifies that ~~***BEGIN CONFIDENTIAL SECTION***~~
13 ~~competitive bidding is the preferred form of contracting to be used for procurement of~~
14 ~~materials or services. Paragraph 1.2 of NP-1100 states:~~

15 ~~Competitive bidding is FPL's standard approach for the~~
16 ~~procurement of materials and services with an estimated total~~
17 ~~value of twenty-five thousand dollars (\$25,000) or greater.~~
18 ~~Exceptions to competitive bidding requirements are to be strictly~~
19 ~~limited to instances where no other suppliers exist for specific (or~~
20 ~~equivalent) materials or services, or where it clearly is not in~~
21 ~~FPL's best business interests to obtain alternate pricing from~~
22 ~~multiple sources. Proper planning to allow adequate time to~~
23 ~~obtain the best value is the responsibility of the requester.~~

24
25 ~~The requester of a sole source or single source procurement must provide a written sole~~
26 ~~source or single source justification memorandum, as appropriate, that is approved at the~~
27 ~~same level as required to authorize the associated requisition and by the responsible vice~~

1 president or designee for which the sole or single source procurement is requested.

2 Requirements for the sole source or single source justifications include:

- 3 • State that no other source exists to provide the materials or service needed (in the
4 case of sole sources), or
- 5 • Explain why it has a unique capacity to meet procurement requirements or it is
6 not in the best business interests of FPL to obtain multiple bids and contain an
7 assurance of the reasonableness of the proposed cost of the transaction (in the
8 case of single sources)
- 9 • Except for emergent issues, schedule adherence criteria and/or inadequate timing
10 for bidding are not justifiable circumstances to proceed with sole and/or single
11 source procurement. ***END CONFIDENTIAL SECTION***

12
13 Q. DID YOU FIND EXAMPLES OF SOLE OR SINGLE SOURCE
14 JUSTIFICATIONS THAT DID NOT CONFORM TO THESE
15 REQUIREMENTS?

16 A. Yes, I did. I found numerous examples in which it appears that ***BEGIN
17 CONFIDENTIAL SECTION*** schedule pressure was the primary factor for issuing
18 the contract on a single source basis. As described above, the use of schedule pressure
19 as a justification for a single source contract is expressly not allowed in accordance with
20 NP-1100. ***END CONFIDENTIAL SECTION*** I also found single source
21 justifications that did not provide adequate assurance that the cost of the contract was
22 reasonable. The use of sole or single source contracts appears to be a routine
23 occurrence, ***BEGIN CONFIDENTIAL SECTION*** rather than an exception to the

1 standard practice of competitive bidding. ***END CONFIDENTIAL SECTION***

2 The following excerpts are examples from Single and Sole Source Justifications
3 provided by FPL:

4 ***BEGIN CONFIDENTIAL SECTION***

5 Sole Source Justification for Westinghouse Electric Company – Example #1

6 This Sole Source Justification for Westinghouse to perform nuclear steam supply
7 system Engineering, Licensing and Design activities for the St. Lucie and Turkey Point
8 EPU's (Bates Number FPL 017180)(Exhibit (WRJ-2)) states:

9 Meeting this schedule requires performance of the technical work
10 on a very aggressive timeline in order to receive the necessary
11 regulatory approvals.

12 Performing this work scope with another vendor would not be
13 cost-effective or prudent from a schedule perspective.

14 Single Source Justification for Shaw Stone & Webster – Example #2

15 The Single Source Justification for Shaw Stone & Webster to perform balance of plant
16 engineering evaluations, develop a BOP licensing report and develop major equipment
17 specifications for the St. Lucie and Turkey Point EPU's (Bates Number FPL
18 017185)(Exhibit (WRJ-3)) states:

19 A BOP contractor with previous power uprate experience in
20 addition to knowledge of St. Lucie, Turkey Point and/or other
21 similar pressurized water reactor (PWR) designs is required to
22 perform this work to the appropriate level of detail on this
23 aggressive schedule.

24 In summary, Shaw Stone & Webster is considered the only
25 Architect Engineering firm with extensive EPU experience that
26 could perform the scope of services in the required time frame.

27 Sole Source Justification for Areva – Example #3

1 The Sole Source Justification for Areva to perform fuel related nuclear steam supply
2 system Engineering Licensing and Design activities for the St. Lucie Extended Power
3 Upgrades (Bates Number FPL 017188)(Exhibit (WRJ-4)) states:

4 Performing this work scope with another vendor would not be
5 cost effective or prudent from a schedule perspective.
6

7 **Single Source Justification for McNabb Hydrogeologic Consulting – Example #4**

8 The Single Source Justification for McNabb Hydrogeologic Consulting for permitting
9 activities related to the Underground Injection Controls system for the new units at
10 Turkey Point (Bates Number FPL 017133)(Exhibit (WRJ-5)) states:

11 In order to safely preserve the 2018 construction start date, it is
12 important that the UIC permit application process be initiated at
13 this time (*note: 2018 actually refers to the commercial operation*
14 *date, not the construction start date*).
15

16 Due to the project schedule and considering time required to
17 obtain quotes, scheduling necessities, the added complexity of
18 work integration by a third party, and the coordination and data
19 sharing with FPL's COLA contractor, it is not in the best interest
20 of FPL to solicit entities other than McNabb Hydrogeologic
21 Consulting and its subcontractors for this work.
22

23 **Single Source Justification for Black & Veatch – Example #5**

24 The single Source Justification for Black & Veatch to conduct a feasibility study to
25 develop a desalination plant at the proposed Turkey Point 6 & 7 site (Bates Number FPL
26 017140)(Exhibit (WRJ-6)) states:

27 Black & Veatch has the unique technical expertise combined with
28 real world experiences of developing large-scale desalination
29 projects. This experience is necessary to meet the projects
30 permitting schedule and provide study results by mid-April.
31

32 In the interest of time, we have characterized this as a single
33 source procurement.
34
35

1 *****END CONFIDENTIAL SECTION*****

2 As seen from the above examples, many of FPL's single and sole source justifications
3 rely on schedule pressure to justify the use of a sole or single source contract rather than
4 a competitive bidding process required by FPL's procurement procedure.
5

6 **Q. HAS FPL DEMONSTRATED, EITHER WITHIN ITS SUBMISSION OR IN ITS**
7 **RESPONSES TO DISCOVERY REQUESTS, THAT THE COSTS INCURRED IN**
8 **THE SOLE SOURCE AND SINGLE SOURCE CONTRACTS ARE**
9 **REASONABLE?**

10 **A.** No, FPL has not. The best way to demonstrate that the cost of a contract is reasonable is
11 through a competitive bidding process. Absent a competitive bidding process the
12 Company must use cost comparisons, or benchmarking with similar work, or a detailed
13 analysis of the work scope and labor rates to ensure that the cost of the contract is
14 reasonable. Many of the single source justifications stated that the costs were reasonable
15 based on FPL's experience with similar projects. In another justification, the
16 reasonableness of costs for a project costing more than *****BEGIN CONFIDENTIAL**
17 **SECTION*** \$100 million ***END CONFIDENTIAL SECTION***** was a back-of-
18 the-envelope type analysis based on comparison data that was 5 years old.
19

20 **Q. PLEASE DESCRIBE THE EXAMPLE YOU DISCUSSED ABOVE IN MORE**
21 **DETAIL.**

22 **A.** In response to Staff's request for details of claimed benchmarking of costs by FPL, FPL
23 provided a spreadsheet comparing various elements of uprate projects at the Company's

1 nuclear plants St. Lucie, Turkey Point, Seabrook, Point Beach and Ginna. I am
2 attaching the spreadsheet as Exhibit (WRJ- 7). We noticed that one of the major EPU
3 projects planned for St. Lucie, specifically ***BEGIN CONFIDENTIAL SECTION***
4 the replacement of the low pressure turbine rotors, ***END CONFIDENTIAL
5 SECTION*** had no equivalent project at the other four units shown in the comparison.
6 During a deposition we asked how the benchmarking exercise showed that the cost of
7 ***BEGIN CONFIDENTIAL SECTION*** the low pressure turbine replacement
8 ***END CONFIDENTIAL SECTION*** project was reasonable. FPL responded that
9 they had another comparison showing the reasonableness of the cost of this project and
10 that they would provide it as a late filed exhibit. The late filed exhibit provided by FPL,
11 which I am attaching as Exhibit __ (WRJ-8), revealed that the benchmarking study
12 relied upon for this project costing more than ***BEGIN CONFIDENTIAL
13 SECTION*** \$100 million was based upon competitive bidding by another utility for a
14 similar project that was conducted in 2002. The primary data for the comparison was
15 five years old. FPL escalated the five year old cost data to current year dollars and
16 adjusted the cost of the St. Lucie project so that the scope would be similar to the project
17 being used for comparison. Said differently, to ascertain whether the cost of a
18 ***BEGIN CONFIDENTIAL SECTION*** \$100 million component is reasonable in
19 the absence of competitive bidding, FPL used the comparison of the cost of the adjusted
20 scope of the St. Lucie project to the cost of the comparison project escalated for five
21 years. The one-half page analysis presenting this comparison closes with this question
22 from the preparer: "Close enough?" ***END CONFIDENTIAL SECTION*** The
23 cost comparison used by FPL to justify this project on a single source basis is at best

1 what I would call a back-of-the-envelope calculation, and in my opinion is insufficient
2 to justify that the cost for a project of this magnitude is reasonable.

3
4 Q. DO YOU HAVE OTHER CONCERNS WITH FPL'S USE OF SOLE OR SINGLE
5 SOURCE CONTRACTS?

6 A. Yes. From my review of the sole and single source justifications for many projects, it
7 appears that FPL is not rigorously following the requirements of NP-1100 ***BEGIN
8 CONFIDENTIAL SECTION*** to emphasize competitive bidding if possible and to
9 provide solid justification for any sole or single source contracts. ***END
10 CONFIDENTIAL SECTION*** The language in many of these justifications is so
11 similar that it appears their preparation is a matter of rote rather than a specific,
12 individual analysis. For example, the sentence ***BEGIN CONFIDENTIAL
13 SECTION*** Performing this work scope with another vendor would not be cost-
14 effective or prudent from a schedule perspective. ***END CONFIDENTIAL
15 SECTION*** appears in several justifications. During discovery, we learned that at
16 times there has been a disconnect between the language of the justification
17 memorandum and the actual reason on which FPL relies.

18 ***BEGIN CONFIDENTIAL SECTION***

19 Q. PLEASE EXPLAIN.

20 A. For instance, the sentence "Performing this work scope with another vendor would
21 not be cost-effective or prudent from a schedule perspective" appears in the justification
22 memorandum prepared by FPL to support the decision to use Westinghouse to provide
23 engineering analyses on a sole source basis. Clearly, the language implies that the

1 schedule is the controlling factor in this decision. In discovery, FPL stated that it would
2 be required to change fuel vendors if it used anyone other than Westinghouse. I believe
3 this example demonstrates a casual approach to the preparation of the document that,
4 under FPL's governing policy, is intended to serve as the principal basis for concluding
5 that the utility should not use competitive bidding in a given situation.

6 ***END CONFIDENTIAL SECTION***

7 In sum, the number of sole or single source justifications, the similarity of language
8 found in many justifications and the lack of specificity in some justifications leads me to
9 believe that the ***BEGIN CONFIDENTIAL SECTION*** intent of NP-1100 is not
10 being rigorously followed or enforced, and the use of sole or single source contracts was
11 routine, not the exception as is the intent in FPL's stated policy. ***END

12 CONFIDENTIAL SECTION***

13
14 Q. PLEASE DESCRIBE PEF'S REQUEST FOR AUTHORIZATION TO COLLECT
15 COSTS FOR THE CRYSTAL RIVER UNIT 3 MEASUREMENT
16 UNCERTAINTY RECOVERY (MUR) AND EXTENDED POWER UPRATE
17 PROJECTS.

18 A. PEF is requesting authorization to recover a total of \$24,899,965 related to the Crystal
19 River 3 MUR and EPU project through the NCRC beginning in 2009. This amount
20 includes a true-up amount of \$928,895 for 2007, estimated revenue requirements of
21 \$7,512,933 for 2008 and projected revenue requirements of \$16,458,136 for 2009.
22 These costs represent primarily carrying charges for costs that have been or will be
23 incurred to support activities required for the MUR and EPU projects.

1

2 Q. DID YOU IDENTIFY ANY ISSUES OF CONCERN WITH PEF'S REQUESTS
3 RELATED TO THE EPU PROJECTS?

4 A. No, I did not.

5

6 Q. DID YOU REVIEW PEF'S TESTIMONY IN SUPPORT OF COSTS FOR THE
7 LEVY NUCLEAR PROJECT IN DOCKET NUMBER 080149?

8 A. I briefly reviewed PEF's testimony concerning the Levy Nuclear Project. While I did
9 not identify any issues of concern in this filing, I did not conduct a detailed review of
10 this filing. I will conduct a detailed review of the Levy Nuclear Project when PEF
11 requests authorization to recover costs in the next NPCR cycle.

12

13 VI. Conclusions and Recommendations

14

15 Q. PLEASE SUMMARIZE YOUR CONCLUSIONS REGARDING FPL'S
16 REQUEST FOR AUTHORIZATION TO COLLECT COSTS.

17 A. Despite its stated preference for competitive bidding, FPL has used sole and single
18 source contracts extensively. I believe FPL has fallen short of demonstrating that the
19 costs associated with those contracts are reasonable. For example, as described above,
20 one project with costs of more than ~~***BEGIN CONFIDENTIAL SECTION***~~ \$100
21 million was determined to be reasonable based on a comparison with five year old data
22 provided by another utility. Schedule pressure, a reason prohibited as a justification in
23 FPL's procedure controlling procurement activities, was often used to justify a sole or

1 ~~single source contract~~ ***END CONFIDENTIAL SECTION*** Use of a sole or
2 single source contract eliminates competitive bidding as a means of ensuring reasonable
3 costs. Without a competitive bidding process, reasonable cost comparisons, benchmarks
4 or analyses must be provided to demonstrate the reasonableness of the costs of sole or
5 single source contracts.
6

7 **Q. PLEASE PROVIDE YOUR RECOMMENDATIONS REGARDING FPL'S**
8 **REQUEST FOR AUTHORIZATION TO COLLECT COSTS RELATED TO**
9 **SOLE SOURCE AND SINGLE SOURCE CONTRACTS.**

10 A. My observation applies to numerous sole and single source contracts, only several of
11 which I have described in my testimony. The contracts vary widely in terms of the
12 amounts of money they involve. Because of the materiality of the contract to which
13 Exhibits __ and __ (WRJ-7 and WRJ-8) apply, I suggest the Commission focus on this
14 item as the vehicle for communicating to FPL the importance of either adhering to a
15 competitive bidding standard or justifying thoroughly a departure from this standard. I
16 believe the Commission has several alternatives under the circumstances. My first
17 recommendation stems from the fact that FPL's obligation to demonstrate the costs of
18 the contract are reasonable is based on the need to apply its own standard as well as the
19 requirement that it satisfy the Commission on this point. I believe it would be
20 appropriate to disallow, and remove from the amount that flows through the cost
21 recovery clause, that portion of the carrying cost of the contract that represents the return
22 that FPL is seeking to earn on its equity investment in the capital asset.
23

1 any portion should be disallowed, will be deferred until the next annual hearing cycle of
2 the nuclear cost recovery mechanism. Accordingly, the scope of my testimony reaches
3 only the more preliminary threshold consideration of whether the costs claimed by the
4 utilities appear to be "reasonable."

5
6 **III. Requests for Authorization to Collect Costs**

7
8 **Q. PLEASE SUMMARIZE THE COSTS THAT FPL HAS REQUESTED**
9 **AUTHORITY TO COLLECT UNDER THE NUCLEAR COST RECOVERY**
10 **RULE.**

11 **A.** FPL has requested that the Commission approve a Nuclear Power Plant Cost Recovery
12 amount of \$258,979,772 to be recovered through the 2009 Capital Cost Recovery
13 Clause. These costs result from carrying charges associated with the 2008
14 Actual/Estimated and 2009 Projected construction costs for the Extended Uprate
15 Projects for Turkey Point Units 3 and 4 and St. Lucie Units 1 and 2, preconstruction and
16 carrying charges associated with 2007 Actual, 2008 Actual/Estimated and 2009
17 Projected costs for Turkey Point 7 and 8 and Site Selection costs and carrying charges
18 associated with Turkey Point 7 and 8.

19
20 **Q. PLEASE SUMMARIZE THE COSTS THAT PEF HAS REQUESTED**
21 **AUTHORITY TO COLLECT UNDER THE NUCLEAR COST RECOVERY**
22 **RULE.**

23 **A.** PEF has requested that the Commission approve a request for Nuclear Cost Recovery
24 for the Crystal River Unit 3 uprate projects of \$24.9 million. PEF has also requested

CONFIDENTIAL

WRJ-2

SOLE SOURCE JUSTIFICATION FOR
WESTINGHOUSE ELECTRIC COMPANY

104980

SOLE SOURCE JUSTIFICATION

Description of Procurement

In accordance with Revision 14a of FPL Nuclear Policy NP-1000 "Procurement Control" this document provides the sole source justification for Westinghouse to perform nuclear steam supply system (NSSS) Engineering, Licensing, and Design activities for the St. Lucie and Turkey Point Extended Power Upgrades (EPU's). This scope of work is defined in the Contractor/Engineering Services Project Scope Document associated with Procurement Requisition (PR) 274429. Contact Steve Hale at (561) 694-4016 or Bill Labbe at (803) 773-7652 for additional information.

Name of Supplier

Westinghouse Electric Company, LLC

Justification

It is recommended that the subject scope of work be procured from the above sole source supplier for the following reasons:

A proposal to increase the power output of St. Lucie Units 1 & 2 and Turkey Point Units 3 & 4 was provided to executive management on June 21, 2007. These Extended Power Upgrades (EPU's) would increase the St. Lucie plant output by approximately 11% and the Turkey Point plant output by approximately 14%. Conditional approval was given to proceed with the EPU's based on the benefits of the project. The project schedule assumes implementation of the EPU's in 2011 and 2012. Meeting this schedule requires performance of the technical work on a very aggressive timeline in order to receive the necessary regulatory approvals.

The requested work scope involves evaluation and analysis of NSSS systems and components, performance of design basis accident analysis, and the identification of any required design upgrades for NSSS components and fuel designed, analyzed and supplied by Westinghouse (Note that Areva NP Inc. is the fuel supplier for St. Lucie Unit 1. Accordingly, the Westinghouse scope does not include fuel related upgrade activities for St. Lucie Unit 1). Westinghouse possesses all of the required design information and has performed all of the current licensing basis analyses for the major NSSS components, nuclear fuel (excluding St. Lucie Unit 1), and systems (e.g., Emergency Core Cooling Systems), which are required to perform this work. Westinghouse has performed this scope of work in the past for numerous upgrades, including the Turkey Point upgrade performed in the mid-1990s and the recent Seabrook station upgrade. No other vendor has the required design documentation for St. Lucie or Turkey Point. Performing this work scope with another vendor would not be cost-effective or prudent from a schedule perspective. Therefore, it is recommended that the contract for the St. Lucie and Turkey Point EPU NSSS

CONFIDENTIAL

no info
affinity
HOW DO you
know?

Engineering, Licensing and Design be awarded on a sole source basis to Westinghouse.

Recommended By: Stephen T. Hale

Date: 7/17/07

Stephen T. Hale
Uprate Project Manager

Approved By: Rajiv S. Kundalkar

Date: 7/19/07

Rajiv S. Kundalkar
Vice President
Technical Services

Docket No. 080009-BI
Single Source Justification for
Shaw Stone and Webster
Exhibit _____ (WRJ-3)
Page 1 of 3

CONFIDENTIAL

WRJ-3

SINGLE SOURCE JUSTIFICATION FOR
SHAW STONE AND WEBSTER

#1 105353

SINGLE SOURCE JUSTIFICATION

Description of Procurement

In accordance with Revision 14a of FPL Nuclear Policy NP-1000 "Procurement Control" this document provides the single source justification for Shaw Stone & Webster, Inc. to perform balance of plant (BOP) engineering evaluations, develop a BOP licensing report, and develop major equipment specifications for the St. Lucie and Turkey Point Extended Power Upgrades (EPUs). This scope of work is defined in the Contractor/Engineering Services Project Scope Document associated with Procurement Requisition (PR) 274428. Contact Steve Hale at (881) 694-4016 or Bill Labbe at (803) 773-7652 for additional information.

Name of Supplier

Shaw Stone & Webster, Inc.

Justification

It is recommended that the subject scope of work be procured from the above single supplier for the following reasons:

A proposal to increase the power output of St. Lucie Units 1 & 2 and Turkey Point Units 3 & 4 was provided to executive management on June 21, 2007. These Extended Power Upgrades (EPUs) would increase the St. Lucie plant output by approximately 11% and the Turkey Point plant output by approximately 14%. Conditional approval was given to proceed with the EPUs based on the benefits of the project. The project schedule assumes implementation of the EPUs in 2011 and 2012. Meeting this schedule requires performance of the technical work on a very aggressive timeline in order to receive the necessary regulatory approvals. A BOP contractor with previous power uprate experience in addition to knowledge of St. Lucie, Turkey Point, and/or other similar pressurized water reactor (PWR) designs is required to perform this work to the appropriate level of detail on this aggressive schedule.

To date, Shaw Stone & Webster has completed power uprate projects for 40 operating nuclear units. Included in their uprate experience is both Westinghouse (Turkey Point) and Combustion Engineering (St. Lucie) PWR designs. In fact, Shaw Stone & Webster performed the BOP engineering services for the successful 4.5% power uprate for Turkey Point Units 3 & 4 in the mid-1990s. Shaw Stone & Webster has ready access to the design documents developed for that Turkey Point uprate such that cost and efficiency savings should be realized for the proposed Turkey Point EPU. Shaw Stone & Webster also recently completed the successful uprate for the Seabrook station.

Of equal importance, Shaw Stone & Webster has successfully performed eight power uprate projects simultaneously (for a total of 13 nuclear units). This is a key factor for FPL as it is anticipated that the detailed engineering activities for the St. Lucie and Turkey Point EPU's will be performed in parallel. It is also important to note that Shaw Stone & Webster has been selected to provide the BOP engineering services for the Point Beach EPU. Utilizing a single BOP engineering firm for these 3 EPU's would increase project efficiencies and reduce overall project costs.

cont. 2
In summary, Shaw Stone & Webster is considered the only Architect Engineering firm with extensive EPU experience that could perform the scope of services in the required time frame. Therefore, the contract for the BOP Extended Power Uprate work scope should be awarded on a single source basis to Shaw Stone & Webster.

Recommended By: *Stephen T. Hale*

Date: 7/17/07

Stephen T. Hale
Uprate Project Manager

Approved By: *Rajiv S. Kundalkar*

Date: 7/19/07

Rajiv S. Kundalkar
Vice President
Technical Services

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CONFIDENTIAL

WRJ-4

SOLE SOURCE JUSTIFICATION FOR AREVA

SOLE SOURCE JUSTIFICATION

Description of Procurement

In accordance with Revision 14a of FPL Nuclear Policy NP-1000 "Procurement Control" this document provides the sole source justification for Areva NP, Inc. to perform fuel related nuclear steam supply system (NSSS) Engineering, Licensing, and Design activities for the St. Lucie Unit 1 Extended Power Upgrades (EPU). This scope of work is defined in the Contractor/Engineering Services Project Scope Document associated with Procurement Requisition (PR) 274432. Contact Steve Hale at (881) 894-4016 or Bill Labbe at (803) 773-7652 for additional information.

Name of Supplier

Areva NP, Inc.

Justification

It is recommended that the subject scope of work be procured from the above sole source supplier for the following reasons:

A proposal to increase the power output of St. Lucie Units 1 & 2 and Turkey Point Units 3 & 4 was provided to executive management on June 21, 2007. These Extended Power Upgrades (EPUs) would increase the St. Lucie plant output by approximately 11% and the Turkey Point plant output by approximately 14%. Conditional approval was given to proceed with the EPUs based on the benefits of the project. The project schedule assumes implementation of the EPUs in 2011 and 2012. Meeting this schedule requires performance of the technical work on a very aggressive timeline in order to receive the necessary regulatory approvals.

The requested work scope involves nuclear fuel related analyses and evaluations for the St. Lucie Unit 1 EPU. Specifically, all St. Lucie Unit 1 NSSS transient and accident analyses, radiological analyses and nuclear fuel analyses (fuel design, nuclear design, and thermal-hydraulic design) are considered to be in scope. Areva NP, Inc. is the current nuclear fuel supplier for St. Lucie Unit 1. Accordingly, Areva NP, Inc. possess all of the required design information and has performed all of the current transient and accident analyses affected by the EPU. No other vendor has the required design documentation for St. Lucie Unit 1. Performing this work scope with another vendor would not be cost-effective or prudent from a schedule perspective. Therefore, it is recommended that the contract for the St. Lucie Unit 1 EPU fuel related NSSS Engineering, Licensing and Design be awarded on a sole source basis to Areva NP, Inc.

Recommended By: [Signature] Date: 7/18/07

Stephen T. Hale
Uprate Project Manager

Approved By: [Signature] Date: 7/19/07

Rajiv S. Kundalkar
Vice President
Technical Services

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CONFIDENTIAL

WRJ-5

SINGLE SOURCE JUSTIFICATION FOR
McNAB HYDROGEOLOGIS CONSULTING

Single Source Justification Memo
Turkey Point Plant Units 6 & 7 – Underground Injection Control (UIC) Permitting
March 3, 2008

Introduction

JES is recommending that a single source contract be awarded to McNabb Hydrogeologic Consulting, Inc. for the permitting activities related to the Underground Injection Control (UIC) system for the new nuclear units at Turkey Point (Units 6 & 7).

The scope of work includes the preparation of the UIC permit application and related studies to dispose of industrial wastewaters generated at the facility. Post-submittal agency review and hearing support is also included in this scope of work.

FPL has identified a 2018 COD for Turkey Point Plant Unit 6 with a six year construction period. JES must begin licensing and permitting for Turkey Point Plant Units 6 & 7 at this time to meet the planned construction start date of 2012 and early site work date of 2011. The licensing schedule includes an aggressive nine-month period to prepare the UIC permit application followed by a lengthy licensing and permitting process. Public intervention may result in additional time required to complete the process. In order to safely preserve the 2018 construction start date, it is important that the UIC permit application process be initiated at this time.

Due to the project schedule and considering time required to obtain quotes, scheduling necessities, the added complexity of work integration by a third party, and the coordination and data sharing with FPL's COLA Contractor, it is not in the best interest of FPL to solicit entities other than McNabb Hydrogeologic Consulting, Inc. and its subcontractors for this work.

Background Information

McNabb Hydrogeologic Consulting, Inc. is uniquely qualified to provide these services because:

1. McNabb Hydrogeologic Consulting, Inc. has provided support on the UIC permitting and construction at West County Energy Center (WCBC). The permitting support provided includes preparation and submittal of a permit application to convert the exploratory well EW-2 to an injection well, permitting a second injection well and incorporating a Dual Zone Monitoring well. In addition, Mr. McNabb served as an expert witness on behalf of FPL during the public hearing on the UIC permit. Mr. McNabb has also prepared the well completion reports for EW-1 and EW-2 as required by the permit.

In addition, Mr. McNabb has provided on-site professional geologist services during the construction of BW-1, BW-2 and the Dual Zone Monitoring Well. This construction support includes inspecting well construction activities as required by the permit, collecting water and core samples and providing weekly construction reports to the permitting agency. Should McNabb Hydrogeologic Consulting, Inc. be selected as the vendor to provide on-site construction support at Turkey Point Units 6 & 7, the cost of generating the permit application after the exploratory well is constructed will be reduced. This is due to the fact that the permit application will utilize the data generated in the field by the on-site support vendor.

UIC technology is not commonly employed by FPL. McNabb Hydrogeologic Consulting, Inc. has provided all the on-site support services for the UIC wells used for industrial wastewater discharge on FPL property.

2. The project has a very aggressive schedule to license and construct the new units. Utilizing the services of McNabb Hydrogeologic Consulting, Inc. will facilitate meeting the schedule demands since McNabb Hydrogeologic Consulting, Inc. has demonstrated an ability to successfully permit and support construction of UIC wells at the WCEC property.

It is not in the best interest of FPL to competitively bid the additional work because of the nature of the product being produced and the requirement for continuity in the development of the product type. The products are applications to the Department of Environmental Protection. The UIC permit application is submitted under the seal of a Licensed Engineer responsible for preparation of the application. The product is also the support of McNabb Hydrogeologic Consulting, Inc. on the UIC permit application through the review, sufficiency and public meeting processes.

Single Source Justification - Summary

The single source justification for this contract is based on the following:

1. McNabb Hydrogeologic Consulting, Inc. has the relevant experience to complete this work and has demonstrated that they can complete the required tasks for a cost below market value and in the required timeframe to accomplish FPL's goals.
2. McNabb Hydrogeologic Consulting, Inc. can provide permitting services as well as construction on-site support, therefore reducing the cost of the UIC system permit application preparation.
3. McNabb Hydrogeologic Consulting, Inc. personnel have provided unequalled expert testimony experience under the UIC permitting process, a critical path element for successful project permitting, particularly for a project that has expected opposition.

For additional information please contact Barbara Linkiewicz at 561-691-7518

Docket No. 080009-BI
Single Source Justification for
Black and Veatch
Exhibit _____ (WRJ-6)
Page 1 of 2

CONFIDENTIAL

WRJ-6

SOLE SOURCE JUSTIFICATION FOR
BLACK AND VEATCH

Turkey Point 6 & 7 Desalination Feasibility Study
Single Source Justification for Project Scope
March 26, 2008

We are requesting approval of a Purchase Order for Black & Veatch in the amount of \$75,000. The funding will cover completion of a Feasibility Study to develop a desalination plant at the proposed Turkey 6 & 7 Plant.

The goal of this project is to determine the feasibility of collocating a desalination plant with Turkey Point 6 & 7, in an effort to provide potable water to Miami-Dade County. If feasible, the desalination plant will be permitted and constructed as part of the proposed Turkey Point 6 & 7 Project. The permitting preparation for the project has begun and the final permit applications are expected to be submitted in the fourth quarter of 2008. Black & Veatch has the unique technical expertise combined with the real world experiences of developing large-scale desalination projects. This experience is necessary to meet the projects permitting schedule and provide study results by mid-April.

In the interest of time, we have characterized this as a single source procurement. Therefore, we must provide a single source justification memo to be in compliance with GO Procurement Procedure #705. Because this is a single source justification, Requirement #1 of GO Procurement Procedure #705 is not applicable.

Requirement 2 of GO Procurement Procedure #705 requires that we explain why it is not in the best business interests of the Company to obtain multiple bids and contains an assurance of the reasonableness of the proposed cost of the transactions.

Black & Veatch is a world leader in desalination technology. Black & Veatch has also worked closely with FPL on construction of several generating facilities in Florida, including Turkey Point Units 5. In addition, Black & Veatch has also worked closely with the Water and Sewer Department of Miami-Dade County (WASD) on water related issues. Because Black & Veatch has significant experience related to key aspects of this project, at this time the best way to meet the project schedule is by selecting Black & Veatch instead of soliciting multiple bids. In addition, based on our experience hiring contractors for conceptual engineering feasibility studies on other projects, the proposed cost of the Black & Veatch proposal is reasonable for the services provided.

Requirement 3 of GO Procedure #705 is that the memo be signed at the same level required for the authorization for the requisition.

This memo is being routed appropriately to satisfy that requirement.

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FPL Fleet Power Rate Comparison

Confidential

Description		Saint Lucie	Turkey Point	Seabrook	Point Beach	Ginna
Turbine	HP Turbine :					
	Nozzle Block and Blade Modifications					
	High Pressure Internals Replacement (For High Efficiency)					
	New Turbine Controls					
	New Turbine High Lift Valve Mod					
	Cross-Over / Under piping					
	MegaWatt Recovery					
	LP Turbine :					
	Low Pressure Turbine - Analysis					
	Replace Low Pressure Rotor					
	Generator :					
	* Generator Rotor Replace/Rewind					
	Generator - Stator Rewind					
	Current Transformers & Bushings Replacement					
	Generator - Exciter Rewind					
	Generator - Replace Hydrogen Seal Oil Skid Components For 75 psig					
	Generator Instrumentation & Unit 2 stiffening					
	Generator Protection Analysis and Modifications					
	T/G Support :					
	Turbine Digital Electro-Hydraulic Computer Replacement					
	Turbine Digital Electric-Hydraulic Constant Pressure Pumps					
	GSU Coolers					
	Sub Total :					
Other	Uprate Nuclear Regulator commission Fees					
	Feasibility Study					
	Alternate Source Term Nuclear Regulator Commission License Fees					
	Environmental Permit					
	Third Party Reviews					
	Community Outreach					
	Simulator Upgrade					
	Project Support :					
	Office Trailer Park / Equipment - Capital Purchase					
	Outage Extension Costs					
	Project Support - 5 FPL Home Office					
	Project Support - 28 FPL / Contractor (11 Engineers, 17 Implementation)					
	Project Support					
	Travel					
	Sub Total :					
Grand Total :						

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FPL Fleet Power Rate Comparison

Confidential

Description	Saint Lucie	Turkey Point	Seabrook	Point Beach	Ginna
Nuclear Steam Supply System / Fuel Engineering & Licensing Request for Additional Information response support					
Fuel Modifications					
Steam Generator Modification-Replacement of Feed Ring					
Steam Generator Mod-Steam Drum Replacement					
Reactor Vessel Upper Head Temperature Conversion					
Pressurizer Loop Seal Removal					
Pzr Safety Valve loop seal mods or setting tolerance reduction					
Emergency Containment Filter Removal					
24 Month Fuel Cycle Unit #2 pH Upgrade					
Steam Generators - Unit #1 Evaluation					
Steam Generators - Unit #2 Evaluation					
Allowance for vital area shielding					
Modifications to improve Risk Assessment Core Damage Frequency to compensate for					
Revise Risk Assessment model					
Sub Total :					
Balance of Plant Engineering & Licensing					
Balance of Plant Instrumentation & Control Setpoint, Rescaling & Hardware Mods					
Main Feedwater :					
Feedwater Pump Thrust Bearings					
Feed Pump/Motor Modification/Replacement					
Main Feed Pump mini-resize valves, controls, line					
Add ventilation support for add'l cooling in vicinity of Main Feed Pumps					
Add New Fast closing Feedwater Isolation Valves Outside Containment					
Add Operators to Feedwater Isolation Valves					
Feedwater Regulating Valve (FRV) Trim Replacement					
PW Regulating Valve (FRV) Replacement					
Install Condensate Pumps - Replace Internals					
Upgrade Condensate Pumps (Unit 1)					
Rewind Condensate Pump Motors For 6.9KV					
Implement Leading Edge Flowmeter Check Plus Measurement Uncertainty Recapture					
Increase Auxiliary Feedwater Pump Capacity & Condensate Storage Tank Volume					
Auxiliary Feedwater Controls					
Allowance for replacement of Auxiliary Feedwater Pump room cooler					
Emergency Diesel Generator load control modification for Auxiliary Feedwater margin					
Feedwater Flow Indication					
#6					
#5					
#4					
#3					
#2					
#1					
Install condensate booster pumps between #3 & #4 heaters					
Add Feedwater Heater Digital Level Controls					
Remote Heater Drain Tank level control modification					
Increase head on Heater Drain Tank pumps					
Feedwater Heater Evaluation					
Heater Drain :					
Replace Normal & Emergency Heater Drain Valves					
Replace The #2 Heater Drain Control Valve For Unit 1 (2 Valves)					
Allowance For Replacement Of Gravity Drain Piping - #5 Heater					
Gravity drain piping replacement (enlargement)					

NSSS

BOP

FPL 003730
NCR-08
CONFIDENTIAL

FPL Fleet Power Rate Comparison

Confidential

Description	Saint Lucie	Turkey Point	Seabrook	Point Beach	Gianna
* Condenser Modification/Replacement					
Condenser Modifications (Rain Tray Mods)					
Condenser steam dump valve & piping mods					
Circulating Water Pump Refurbishment					
Main Steam :					
Upgrade Main Steam Isolation Valve Internals and Actuators					
Main Steam Isolation Valve Actuator Replacement (Unit 1 Only)					
Main Steam Safety Valve / Piping Modification					
Main Steam Safety Valves / Piping Mods (Unit 1)					
Main Steam Piping Support Modifications And / Or New Supports					
Allowance For New Jet Impingement Shields And / Or Pipe Whip Restraints					
Steam Dump Valves And Atmospheric Piping Modifications					
Update Checksum Software For Flow Accelerated Corrosion					
Replace Flow Accelerated Corrosion-Identified Piping					
Allowance For Moisture Separator Repair / Replacement					
Upgrade Internal Trim and Controllers on the Moisture Separator Removal Reheater					
Electrical :					
Grid Stability					
Station Electric Load Study/ETAP Model Revision					
Elec Bas System Margin Improvement					
* Replace The Main Transformers					
Main Transformer Generator Step Up					
Main Transformer Cooling Increase					
Oleostatic Cable Forced Cooling System Mod					
Misc :					
Control Room Habitability Upgrades					
Resolve Unit #2 Control Room Air Conditioning Margin Issue					
Alternate Spent Fuel Pool Cooling System					
Allowance for Motor Operated Valve torque switch adjustments					
Increase Reverse Osmosis system capacity					
Update Equipment Qualification Doc Paces					
Modify The Isolated Phase Bus Duct Cooling System					
* Containment Cooling Modifications - Chilled Water					
Modifications for Alternate Source Term					
* Addition of Trim Coolers to Exciter					
* Cooler Replacement to Support Gen Hydrogen Cooling					
Allowance for Additional Cooling Mods to Turbine Plant/Intake Cooling Water					
Charring Pump modification and rethrottling					
Evaluations/Analyses/Calculations :					
Original Equipment Manufacturer Equipment Evaluations					
Sub Total :					

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Late Filed Exhibit 7 - Hale/Labbe

In the June 2002 time frame, similar proposals for turbine work were received by another utility from General Electric, Alstom, Mitsubishi and Siemens. From the range of costs reflected in those proposals (escalated to bring them into present day dollars), FPL developed an internal estimate of the cost for the BPU turbine. As shown on the attachment, that internal estimate compared very closely to the price quote FPL received from Siemens, when differences in scope were taken into account.

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Jack Hoffman
07/08/2008 08:06 AM

To: William P. Labbe Jr/NAESCO@NAESCO, Clyde
Newson/Juno/Nuclear/FplNuc@FPLNUC
cc:
Subject: CAR delta (appropriate explanation)

fyi
Jack Hoffman
Engineering Manager - St. Lucie Power Upgrade
Office: 772-467-7493
Cell: 772-201-0640

----- Forwarded by Jack Hoffman/Psl/Nuclear/FplNuc on 07/08/2008 08:03 AM -----

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Kenneth Palmer
Sent by: Kenneth
Palmer
06/04/2007 01:42 PM

To: Yuan Kao/Psl/Nuclear/FplNuc@FplNuc
cc: John Manso/Psl/Nuclear/FplNuc@FplNuc, Jack
Hoffman/Psl/Nuclear/FplNuc@FplNuc
Subject: CAR delta to uprate explanation

Yuan,
Attached you will find the PRB level 1 document that I used for the briefing during the PRB meeting.
The cost for the Siemens package is [REDACTED] which agrees closely with the uprate estimate of [REDACTED] when
you adjust for the following.
The CAR has the following extra items
for BOP mods
for shipping
for installation which assumed major moves for the generator and HP due to installing the new L.Ps.
This number is now [REDACTED] due to Siemens claim that the moves are minor.
Total delta is [REDACTED]
[REDACTED] Close enough?



ATTACHED CTN - 7/8/08

PRB level 1- LP Turbine Conceptual Cost Estimat
Ken

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EXHIBIT C

DOCUMENT NO. DATE

03164-10 4/22/10
FPSC - COMMISSION CLERK

Exhibit C

Company: Florida Power and Light Company

Title: Revised List of Confidential Documents in Testimony and Exhibits of Dr. Jacobs*

Docket No. 080009-EI

Item	Description	No. of Pages	Conf. Y/N	Line No./Col. No.	Florida Statute 366.093 (3) Subsection	Affiant
1	Testimony of Dr. William R. Jacobs	11	N			
1a	Testimony of Dr. William R. Jacobs	1	N			
2	Sole Source Justification for Westinghouse Electric Company	3	N			
3	Sole Source Justification for Shaw Stone and Webster	3	N			
4	Sole Source Justification for Areva	3	N			
5	Single Source Justification for McNabb Hydrogeologic Consulting	3	N			
6	Sole Source Justification for Black and Veatch	2	N			
7	Benchmarking Spreadsheet	3	Y	Pages 1-3, Columns 1-5	(e)	Terry O. Jones
8	Additional Cost Comparison for Large Contracts	2	N Y	Page 1 Page 2 Lines 15, 18-23	(d), (e)	Terry O. Jones

***Bold Denotes Revisions (i.e., a reduction to the amount of confidential classification previously requested)**

DOCUMENT NO. DATE

03164-10 4/22/10
FPSC - COMMISSION CLERK

EXHIBIT D

DOCUMENT NO. DATE

03164-10 4/22/10
FPSC - COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost)
Recovery Clause)

DOCKET NO. 080009-EI

STATE OF FLORIDA)
)
PALM BEACH COUNTY)

AFFIDAVIT OF TERRY O. JONES

BEFORE ME, the undersigned authority, personally appeared Terry O. Jones who, being first duly sworn, deposes and says:

1. My name is Terry O. Jones. I am currently employed by Florida Power & Light Company ("FPL") as Vice President, Nuclear Power Uprate. I have personal knowledge of the matters stated in this affidavit.

2. I have reviewed Exhibit C and the documents that are included in FPL's Revised Request for Confidential Classification of information included in the revised testimony and exhibits of Dr. Jacobs filed in Docket No. 080009-EI, for which I am identified on Exhibit C as the affiant. The documents and materials that I have reviewed contain proprietary confidential business information, including information containing contractual data. Disclosure of this information would violate FPL's contracts with its vendors, work to the detriment of FPL's competitive interests, impair the competitive interests of its vendors and/or impair FPL's efforts to enter into contracts on commercially favorable terms. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of not less than 18 months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.

Terry Jones

Terry O. Jones

SWORN TO AND SUBSCRIBED before me this 21ST day of April 2010, by Terry O. Jones, who is personally known to me or who has produced Personally Known (type of identification) as identification and who did take an oath.

Jo Retha Forbes

Notary Public, State of Florida

My Commission Expires:



DOCUMENT NO. DATE
03164-10 4/22/10
FPSC - COMMISSION CLERK

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LISA POLAK EDGAR
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DAVID E. KLEMENT
BEN A. "STEVE" STEVENS III

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK
(850) 413-6770

Public Service Commission

ACKNOWLEDGEMENT

DATE: April 22, 2010

TO: Jessica Cano

FROM: Diamond Williams, Office of Commission Clerk

RE: Acknowledgement of Receipt of Confidential Filing

This will acknowledge receipt of a **CONFIDENTIAL DOCUMENT** filed in Docket Number 100009-EI or, if filed in an undocketed matter, concerning Testimony and exhibits of William R. Jacobs, Jr., Ph.D., and filed on behalf of Florida Power And Light Company. The document will be maintained in locked storage.

If you have any questions regarding this document, please contact Kim Peña, Records Management Assistant, at (850) 413-6393.

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Internet E-mail: contact@psc.state.fl.us