



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

**DATE:** May 13, 2010

**TO:** Jim Breman, Senior Analyst, Division of Economic Regulation

**FROM:** Dale N. Mailhot, Director, Office of Auditing and Performance Analysis *DNM*

**RE:** Docket No.: 100009-EI  
 Company Name: Florida Power & Light Company  
 Company Code: EI802  
 Audit Purpose: Nuclear Cost Recovery Clause – Extended Power Uprate  
 Audit Control No: 10-006-4-1

Attached is the final audit report for the utility stated above. I am sending the utility a copy of this memo and the audit report. If the utility desires to file a response to the audit report, it should send a response to the Office of Commission Clerk. There were confidential work papers associated with this audit.

DNM/ip  
Attachment: Audit Report

cc: (With Attachment)  
Office of Auditing and Performance Analysis (Mailhot, File Folder)  
Office of Commission Clerk  
Office of the General Counsel

(Without Attachment)  
Office of Auditing and Performance Analysis (Harvey, Tampa District Office, Miami District Office, Tallahassee District Office)

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**FLORIDA PUBLIC SERVICE COMMISSION**

**OFFICE OF AUDITING AND PERFORMANCE ANALYSIS  
BUREAU OF AUDITING**

*Miami District Office*

**Florida Power & Light Co.  
Nuclear Uprate Audit**

**Twelve Months Ended December 31, 2009**

**DOCKET NO. 100009-EI  
AUDIT CONTROL NO. 10-006-4-1**

Handwritten signature of Iliana H. Piedra in black ink.

**Iliana H. Piedra  
Audit Manager**

Handwritten signature of Yen Ngo in black ink.

**Yen Ngo  
Audit Staff**

Handwritten signature of Kathy Welch in black ink.

**Kathy Welch  
Public Utilities Supervisor**

DOCUMENT NO.      DATE

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**OFFICE OF AUDITING AND PERFORMANCE ANALYSIS  
AUDITOR'S REPORT**

**May 11, 2010**

**TO: FLORIDA PUBLIC SERVICE COMMISSION**

We have performed the procedures enumerated later in this report to meet the agreed upon objectives set forth by the Division of Economic Regulation in its audit service request. We have applied these procedures to the attached schedules prepared by Florida Power & Light Co. in support of its Nuclear Uprate Filing, Docket No. 100009-EI.

This audit was performed following general standards and field work standards found in the AICPA Statements on Standards for Attestation Engagements. Our report is based on agreed upon procedures and the report is intended only for internal Commission use.

## **OBJECTIVES AND PROCEDURES:**

**Objective:** The objective of the audit was to audit 2009 Construction costs for the Extended Power Uprate (EPU) project, especially considering requirements of Section 366.93, Florida Statutes and Rule 25-6.0423, Florida Administrative Code.

**Procedures:** We read the Statute and the rule. We obtained an Excel file of all the charges made to the filing. We reconciled the filing to the Excel file. We sorted the file by both dollar amounts and vendors and selected a sample that included the high dollar items and an assortment of the various vendors charged to the project. We traced the sample to source documentation.

We compared the amounts paid to the contractor to the supporting invoices and purchase orders and compared the rates paid to the contracts when applicable. We also traced various sample items to a listing of open contracts provided by the utility. We reviewed journal vouchers and traced to proper supporting documentation.

For payroll, we obtained a list of all employees and hours worked on the Nuclear Uprate plants. The utility adjusted this payroll for hours not deemed incremental to the project. The adjustments were traced to the journal vouchers.

For the affiliate charges we obtained the affiliate employees charged to the uprate and their salary information. We obtained the invoices from the affiliate and traced to additional documentation. We recalculated the payroll dollars based on the employees' basic pay and obtained documentation from an outside firm regarding a market rate and compared to the rate charged by the affiliate. We also traced any travel expenses to source documentation and determined how it relates to the uprate.

**Objective:** The objective of the audit was to reconcile the T schedules to the general ledger.

**Procedures:** FPL provided CDs of all the costs and the amounts on the CDs were reconciled to the filing and also to the general ledger.

**Objective:** The objective of the audit was to identify the Deferred Tax Adjustment amount, and total carrying costs associated with these costs.

**Procedure:** We recalculated the deferred tax adjustment and the carrying charges.

**Objective:** The objective of the audit was to audit the Operating and Maintenance expenses.

**Procedures:** We obtained a CD with the charges in the filing. This file was sorted and the large dollar amounts were selected for testing. We also verified that charges related to software and furniture were properly removed from the costs in the filing.

**Objective:** The objective of the audit was to review and document the Company's separate and apart process for identifying and applying adjustments necessary to ensure the NCR amount is limited to those costs that are separate and apart from nuclear costs that would have been necessary had there been no uprate project.

**Procedures:** We read the utility's testimony related to the separate and apart procedures. We obtained copies of a production of documents and interrogatories related to the separate and apart procedures. We read PSC Orders which discuss the procedures and reviewed the work performed by the Performance Analysis section in Tallahassee. We reviewed the Recoverable Cost Justification Forms prepared by the utility and agreed to our sample items, when applicable.

**Objective:** The objective was to review any internal audits to determine if any adjustments affect the audit.

**Procedures:** We read the utility's internal audits. We determined what testing was done and reviewed the findings.

### III. COMPANY EXHIBITS

**Appendix I**  
**Nuclear Cost Recovery**  
**Extended Power Uprate Project**  
**Nuclear Filing Requirements (NFR's)**  
**T-Schedules (True Up)**  
**January 2009 - December 2009**

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**St. Lucie and Turkey Point Uprate Project**  
**Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Retail Revenue Requirements Summary**

[Section (5)(c)1.b.]

Schedule T-1 (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA POWER & LIGHT COMPANY  
 DOCKET NO.: 100009-EI

EXPLANATION: Provide the calculation of the actual true-up of total retail revenue requirements based on actual expenditures for the prior year and the previously filed expenditures.

For the Year Ended 12/31/2009

Witness: Winnie Powers

Line No.	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
Jurisdictional Dollars							
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	\$723,685	\$853,646	\$965,429	\$1,078,098	\$1,192,795	\$1,345,768	\$6,159,423
3	\$0	\$0	\$62	\$96,481	\$67,108	\$136,899	\$300,549
4	(\$95,778)	(\$101,958)	(\$108,192)	(\$114,483)	(\$120,831)	(\$127,235)	(\$668,477)
5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	<u>\$627,907</u>	<u>\$751,689</u>	<u>\$857,299</u>	<u>\$1,060,096</u>	<u>\$1,139,072</u>	<u>\$1,355,432</u>	<u>\$5,791,494</u>
7	\$693,693	\$713,255	\$749,325	\$810,482	\$887,743	\$986,557	\$4,841,055
8	<u>(\$65,786)</u>	<u>\$38,433</u>	<u>\$107,974</u>	<u>\$249,614</u>	<u>\$251,329</u>	<u>\$368,875</u>	<u>\$950,439</u>
9	722,780	853,550	965,077	1,319,927	1,387,345	1,631,791	\$6,860,470
10	<u>(\$94,873)</u>	<u>(\$101,861)</u>	<u>(\$107,778)</u>	<u>(\$259,832)</u>	<u>(\$248,273)</u>	<u>(\$276,359)</u>	<u>(\$1,088,976)</u>

See Notes on Page 2

**St. Lucie and Turkey Point Uprate Project**  
**Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Retail Revenue Requirements Summary**

[Section (5)(c)1 b.]

Schedule T-1 (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA POWER & LIGHT COMPANY  
 DOCKET NO.: 100009-EI

EXPLANATION: Provide the calculation of the actual true-up of total retail revenue requirements based on actual expenditures for the prior year and the previously filed expenditures.

For the Year Ended 12/31/2009

Witness: Winnie Powers

Line No.	(H) Actual July	(I) Actual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total	(O) Actual (c) Adjustments	(P) Total
Jurisdictional Dollars									
1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	\$1,554,985	\$1,760,987	\$1,943,923	\$2,100,165	\$2,302,492	\$2,521,771	\$18,343,745	\$0	\$18,343,745
3	\$7,816	\$3,176	\$2,162	\$125,876	(\$31,399)	\$70,269	\$478,450	\$0	\$478,450
4	(\$133,689)	(\$140,153)	(\$146,749)	(\$153,362)	(\$160,032)	(\$166,628)	(\$1,569,091)	(\$315,325)	(\$1,884,416)
5	\$0	\$0	\$0	\$0	\$0	\$12,802	\$12,802	\$0	\$12,802
6	<u>\$1,429,112</u>	<u>\$1,624,010</u>	<u>\$1,799,336</u>	<u>\$2,072,678</u>	<u>\$2,111,081</u>	<u>\$2,438,214</u>	<u>\$17,265,905</u>	<u>(\$315,325)</u>	<u>\$16,950,581</u>
7	\$1,168,918	\$1,467,030	\$1,820,844	\$2,160,350	\$2,452,488	\$2,642,332	\$16,553,019	\$0	\$16,553,019
8	<u>\$280,193</u>	<u>\$156,980</u>	<u>(\$21,508)</u>	<u>(\$87,672)</u>	<u>(\$341,427)</u>	<u>(\$204,119)</u>	<u>\$712,887</u>	<u>(\$315,325)</u>	<u>\$397,562</u>
9	1,860,999	2,047,838	2,232,238	2,432,826	2,631,733	2,839,214	\$20,925,318	\$0	20,925,318
10	<u>(\$431,888)</u>	<u>(\$423,828)</u>	<u>(\$432,903)</u>	<u>(\$360,147)</u>	<u>(\$520,671)</u>	<u>(\$401,000)</u>	<u>(\$3,659,412)</u>	<u>(\$315,325)</u>	<u>(\$3,974,737)</u>

(a) The costs associated with the expansion of the Turkey Point and St. Lucie Nuclear Power Plants (uprate project) were included in Account 183, Preliminary Survey and Investigation Charges for the period July 2007 through December 2007. On January 7, 2008, the Commission issued Order No. PSC-08-0021-FOF-EI approving FPL's need determination for the uprates. In that Order the Commission determined that Rule No. 25-6.0423, F.A.C. is applicable to the costs of the uprate project. As a result of the issuance of this Order, in January 2008 these costs were transferred to Construction Work in Progress account 107 and carrying charges began accruing.

(b) Other Adjustments Line 5 represents Base Rate Revenue Requirements for 2009 for the Turbine Gantry Crane placed into service on December 22, 2009 per Rule No. 25-6.0423 Section (7)(b). Refer to WP-3.

(c) Represents carrying charges through December 31, 2008 for 2007 & 2008 tax deductions under IRS Code Section 174. (See NFR 2008 Deferred Tax Carrying Charge Schedule T-3A)

**St. Lucie and Turkey Point Uprate Project  
Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Construction Costs**

[Section (5)(c)1. b.]

Schedule T-3 (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA POWER & LIGHT COMPANY  
DOCKET NO.: 100009-EI

EXPLANATION: Provide the calculation of the final true-up of carrying costs on construction expenditures, based on actual carrying costs on construction expenditures and the previously filed estimated carrying costs.

For the Year Ended 12/31/2009

Witness: Winnie Powers

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 6 Month Total
	Jurisdictional Dollars							
1	\$73,050,739	\$14,626,557	\$15,622,420	\$10,339,852	\$15,638,113	\$10,675,231	\$24,282,763	\$91,184,937
2		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	\$2,357,995	\$2,046,912	\$1,735,828	\$1,424,745	\$1,113,661	\$802,577	\$491,494	\$491,494
4	\$3,733,003	\$311,084	\$311,084	\$311,084	\$311,084	\$311,084	\$311,084	\$1,866,502
5	<u>\$75,408,735</u>	<u>\$89,724,208</u>	<u>\$105,063,703</u>	<u>\$115,231,189</u>	<u>\$130,772,808</u>	<u>\$141,403,217</u>	<u>\$165,678,753</u>	<u>\$165,678,753</u>
6		\$82,566,471	\$97,393,955	\$110,147,446	\$123,001,998	\$136,088,013	\$153,540,985	n/a
7								
a.		\$377,281	\$445,035	\$503,311	\$562,049	\$621,844	\$701,594	\$3,211,114
b.		\$614,215	\$724,517	\$819,391	\$915,016	\$1,012,363	\$1,142,197	\$5,227,898
c.		\$109,471	\$129,129	\$146,039	\$163,082	\$180,432	\$203,572	\$931,724
8		<u>\$723,685</u>	<u>\$853,646</u>	<u>\$965,429</u>	<u>\$1,078,098</u>	<u>\$1,192,795</u>	<u>\$1,345,768</u>	<u>\$6,159,423</u>
9		\$695,526	\$714,929	\$750,840	\$811,837	\$888,938	\$987,594	\$4,849,664
10		<u>\$28,159</u>	<u>\$138,717</u>	<u>\$214,590</u>	<u>\$266,261</u>	<u>\$303,857</u>	<u>\$358,175</u>	<u>\$1,309,759</u>
11		723,982	854,646	966,067	1,121,449	1,344,987	1,589,329	\$6,600,460
12		<u>(\$297)</u>	<u>(\$1,000)</u>	<u>(\$638)</u>	<u>(\$43,351)</u>	<u>(\$152,192)</u>	<u>(\$243,561)</u>	<u>(\$441,037)</u>

(a) For carrying charge purposes the monthly equity component reflects an 11% return on equity.

(b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 35% & 5.5% for state income taxes.

(c) In order to gross up the equity component for taxes a monthly rate of 0.007439034 (Equity) and 0.001325847 (Debt), results in the annual pre-tax rate of 11.04%.

See Additional Notes on Page 2

**St. Lucie and Turkey Point Uprate Project  
Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Construction Costs**

[Section (5)(c)1.b.]

Schedule T-3 (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA POWER & LIGHT COMPANY  
DOCKET NO: 100009-EI

EXPLANATION: Provide the calculation of the final true-up of carrying costs on construction expenditures, based on actual carrying costs on construction expenditures and the previously filed estimated carrying costs.

For the Year Ended 12/31/2009

Witness: Winnie Powers

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total
Jurisdictional Dollars								
1		\$23,417,080	\$24,758,475	\$15,637,776	\$20,220,281	\$27,246,801	\$34,140,600	\$236,605,950
2		\$0	\$0	\$0	\$0	\$0	\$2,424,908	\$2,424,908
3		\$180,410	(\$130,674)	(\$441,757)	(\$752,841)	(\$1,063,924)	(\$1,375,008)	
4		\$311,084	\$311,084	\$311,084	\$311,084	\$311,084	\$311,084	\$3,733,003
5		<u>\$165,678,753</u>	<u>\$189,142,925</u>	<u>\$213,975,506</u>	<u>\$229,595,437</u>	<u>\$249,627,156</u>	<u>\$276,502,289</u>	<u>\$307,756,662</u>
6		\$177,410,839	\$201,559,215	\$221,785,472	\$239,611,297	\$263,064,723	\$292,129,476	n/a
7			(e) Pg. 2			(e) Pg. 2	(e) Pg. 2	
a		\$810,666	\$918,061	\$1,013,432	\$1,094,886	\$1,200,366	\$1,314,684	\$9,563,209
b		\$1,319,765	\$1,494,605	\$1,649,870	\$1,782,477	\$1,954,198	\$2,140,307	\$15,568,920
c		\$235,220	\$266,382	\$294,054	\$317,688	\$348,294	\$381,464	\$2,774,825
8		<u>\$1,554,985</u>	<u>\$1,760,987</u>	<u>\$1,943,923</u>	<u>\$2,100,165</u>	<u>\$2,302,492</u>	<u>\$2,521,771</u>	<u>\$18,343,745</u>
9		\$1,169,795	\$1,467,748	\$1,821,402	\$2,160,748	\$2,452,727	\$2,842,412	\$16,564,497
10		<u>\$385,190</u>	<u>\$293,239</u>	<u>\$122,521</u>	<u>(\$60,584)</u>	<u>(\$150,235)</u>	<u>(\$120,641)</u>	<u>\$1,779,248</u>
11		1,818,433	2,005,168	2,189,466	2,362,131	2,560,936	2,768,316	20,304,910
12		<u>(\$263,448)</u>	<u>(\$244,181)</u>	<u>(\$245,543)</u>	<u>(\$261,967)</u>	<u>(\$258,444)</u>	<u>(\$246,545)</u>	<u>(\$1,961,165)</u>

- (a) For carrying charge purposes the monthly equity component reflects an 11% return on equity.  
 (b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 35% & 5.5% for state income taxes.  
 (c) In order to gross up the equity component for taxes a monthly rate of 0.007439034 (Equity) and 0.001325847 (Debt), results in the annual pre-tax rate of 11.04%.

(d) To include a return on the actual 2008 balances (line 3) and reflect the recovery of prior actual estimated balances (line 4).

	2008 AE-3	2008 T-3	Difference
Lines 3&4 Beginning Balances include:			
2008 Construction Carrying Costs (Schedule AE/T-3 Line 3)	\$3,740,411	\$2,363,019	(\$1,377,391)
2008 DTA(DTL) Carrying Costs (Schedule AE/T-3A Line 8)	(\$7,407)	(\$5,024)	\$2,383
	<u>\$3,733,003</u>	<u>\$2,357,995</u>	<u>(\$1,375,008)</u>

(e) Line 5, Column K, N, & O - Return on Average Net Unamortized CWIP Eligible for Return -In August 2009, a retroactive carrying charge adjustment was made as a result of the removal of costs of computer equipment and furniture not meeting the capitalization requirements.

In November 2009, a retroactive carrying charge adjustment was made as a result of EPU Turbine Gantry Costs reclassified from the project that were already included in base rates and removal costs included in December 2009 carrying charges is a retro-active carrying charge adjustment due to the removal of contractor payments.

	August	November	December
Carrying Charge Retro-Active Adjustment	(\$5,656)	(\$3,239)	(\$38,709)
Carrying Charge	\$1,766,643	\$2,305,731	\$2,560,480
Total Return Requirements	<u>\$1,760,987</u>	<u>\$2,302,492</u>	<u>\$2,521,771</u>

(f) The months of January, February & March have been adjusted to reflect the jurisdictional separation factor from .99570135 (May 2009 A/E Filing) to .99648888. Additionally, January and February have been adjusted to reflect actual participant amounts. (See Schedule T-6 Line 15)

(g) Transfer to Plant in Service (Line 2, Column O) represents the Nuclear CWIP additions for the Turbine Gantry Crane placed into service on December 22, 2009 (See Appendix I - A).

**St. Lucie and Turkey Point Uprate Project**  
**Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Deferred Tax Carrying Costs**

[Section (5)(c)1 b.]

Schedule T-3A (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY FLORIDA POWER & LIGHT COMPANY  
 DOCKET NO 100009-EI

EXPLANATION: Provide the calculation of the Actual deferred tax Carrying Costs.

For the Year Ended 12/31/2009  
 Witness: Winnie Powers

Line No	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 6 Month Total
Jurisdictional Dollars								
1		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3		(\$1,584,083)	(\$1,584,083)	(\$1,584,083)	(\$1,584,083)	(\$1,584,083)	(\$1,584,083)	(\$9,504,499)
4		<u>(26,705,444)</u>	<u>(28,289,527)</u>	<u>(29,873,610)</u>	<u>(31,457,693)</u>	<u>(33,041,776)</u>	<u>(34,625,859)</u>	<u>(336,209,942)</u>
5	38.575%	<u>(\$10,301,625)</u>	<u>(\$10,912,685)</u>	<u>(\$11,523,745)</u>	<u>(\$12,134,805)</u>	<u>(\$12,745,865)</u>	<u>(\$13,356,925)</u>	<u>(\$13,967,985)</u>
6	a. Average Accumulated DTA/(DTL)	(\$10,607,155)	(\$11,218,215)	(\$11,829,275)	(\$12,440,335)	(\$13,051,395)	(\$13,662,455)	
	b. Prior months cumulative Return on DTA/(DTL) (f) Pg. 3	(\$320,349)	(\$414,294)	(\$514,577)	(\$621,255)	(\$734,384)	(\$854,019)	(\$980,218)
	c. Average DTA/(DTL) including prior period return subtotal	(\$10,927,504)	(\$11,632,509)	(\$12,343,852)	(\$13,061,590)	(\$13,785,779)	(\$14,516,474)	
7	Carrying Cost on DTA/(DTL)							
	a. Equity Component (Line 7b* 61425) (a)	(\$49,932)	(\$53,154)	(\$56,404)	(\$59,664)	(\$62,993)	(\$66,332)	(\$348,500)
	b. Equity Comp. grossed up for taxes (Line 6c * 0.007439034) (a) (b) (c)	(\$81,290)	(\$86,535)	(\$91,826)	(\$97,166)	(\$102,553)	(\$107,989)	(\$567,358)
	c. Debt Component (Line 6c * 0.001325847) (c)	(\$14,488)	(\$15,423)	(\$16,366)	(\$17,318)	(\$18,278)	(\$19,247)	(\$101,119)
8	Final Total Return Requirements (Line 7b + 7c)	<u>(\$95,778)</u>	<u>(\$101,958)</u>	<u>(\$108,192)</u>	<u>(\$114,483)</u>	<u>(\$120,831)</u>	<u>(\$127,235)</u>	<u>(\$668,477)</u>
9	Projected Carrying Costs on DTA/(DTL) (Order No. PSC 08-0749-FOF-EI)	(\$1,833)	(\$1,674)	(\$1,514)	(\$1,355)	(\$1,196)	(\$1,036)	(\$8,609)
10	Difference True-Up to Projection (Line 8 - Line 9)	<u>(\$93,945)</u>	<u>(\$100,284)</u>	<u>(\$106,678)</u>	<u>(\$113,128)</u>	<u>(\$119,635)</u>	<u>(\$126,199)</u>	<u>(\$659,869)</u>
11	Actual / Estimated True-up Amount for Carrying Cost on DTA/(DTL) (Order No. PSC 09-0783-FOF-EI)	(1,202)	(1,096)	(990)	(885)	(780)	(676)	(\$5,629)
12	Final True-Up of Carrying Costs on DTA/(DTL) (Line 8 - Line 11)	<u>(\$94,576)</u>	<u>(\$100,862)</u>	<u>(\$107,202)</u>	<u>(\$113,598)</u>	<u>(\$120,051)</u>	<u>(\$126,559)</u>	<u>(\$662,848)</u>

(a) For carrying charge purposes the monthly equity component reflects an 11% return on equity.  
 (b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 35% & 5.5% for state income taxes.  
 (c) In order to gross up the equity component for taxes a monthly rate of 0.007439034 (Equity) and 0.001325847 (Debt), results in the annual pre-tax rate of 11.04%.

See Additional Notes on Page 3

**St. Lucie and Turkey Point Upgrade Project  
Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: Deferred Tax Carrying Costs**

[Section 5)(c)1 b.]

Schedule T-3A (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA POWER & LIGHT COMPANY  
DOCKET NO: 100009-EI

EXPLANATION: Provide the calculation of the Actual deferred tax Carrying Costs.

For the Year Ended 12/31/2009

Witness: Winnie Powers

Line No.	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total	(Q) Adjustments	(R) Total
Jurisdictional Dollars										
1	Construction Period Interest (Schedule T-3B, Line 7)	\$4,790	\$5,390	\$6,685	\$7,657	\$8,244	\$9,620	\$42,386		
2	Recovered Costs Excluding AFUDC	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
3	Other Adjustments (d) Pg. 3	(\$1,584,083)	(\$1,584,083)	(\$1,584,083)	(\$1,584,083)	(\$1,584,083)	(\$1,584,083)	(\$19,008,997)		
4	Tax Basis Less Book Basis (Prior Mo Balance + Line 1 + 2 + 3) (e) Pg. 3	<u>(\$36,209,942)</u>	<u>(\$37,789,235)</u>	<u>(\$39,367,928)</u>	<u>(\$40,945,326)</u>	<u>(\$42,521,753)</u>	<u>(\$44,097,592)</u>	<u>(\$45,672,055)</u>		
5	Deferred Tax Asset DTA(DTL) on Tax Basis in Excess of Book (Line 4 * Tax Rate)	38.575%	<u>(\$13,967,985)</u>	<u>(\$14,577,196)</u>	<u>(\$15,186,178)</u>	<u>(\$15,794,660)</u>	<u>(\$16,402,766)</u>	<u>(\$17,010,646)</u>	<u>(\$17,617,995)</u>	<u>(\$17,617,995)</u>
6	a Average Accumulated DTA(DTL)		(\$14,272,591)	(\$14,881,688)	(\$15,490,419)	(\$16,098,713)	(\$16,706,706)	(\$17,314,321)		
	b Prior months cumulative Return on DTA(DTL) (f) Pg. 3		(\$980,218)	(\$1,113,030)	(\$1,252,465)	(\$1,398,657)	(\$1,551,620)	(\$1,711,413)	(\$1,877,962)	
	c Average DTA(DTL) including prior period return subtotal		(\$15,252,809)	(\$15,994,718)	(\$16,742,884)	(\$17,497,389)	(\$18,258,327)	(\$19,025,734)		
7	Carrying Cost on DTA(DTL)			(g) Pg. 3			(g) Pg. 3		(h) Pg. 3	
	a Equity Component (Line 7b * 81425) (a)		(\$69,697)	(\$73,067)	(\$76,505)	(\$79,953)	(\$83,430)	(\$86,869)	(\$818,021)	(\$982,410)
	b Equity Comp. grossed up for taxes (Line 6c * 0.007439034) (a) (b) (c)		(\$113,466)	(\$118,953)	(\$124,551)	(\$130,164)	(\$135,824)	(\$141,423)	(\$1,331,739)	(\$267,626) (\$1,599,365)
	c Debt Component (Line 6c x 0.001325847) (c)		(\$20,223)	(\$21,200)	(\$22,199)	(\$23,199)	(\$24,208)	(\$25,205)	(\$237,352)	(\$47,899) (\$285,051)
8	Final Total Return Requirements (Line 7b + 7c)		<u>(\$133,689)</u>	<u>(\$140,153)</u>	<u>(\$148,749)</u>	<u>(\$153,362)</u>	<u>(\$160,032)</u>	<u>(\$166,628)</u>	<u>(\$1,569,091)</u>	<u>(\$315,325) (\$1,884,416)</u>
9	Projected Carrying Costs on DTA(DTL) (Order No. PSC 08-0749-FOF-EI)		(\$877)	(\$717)	(\$558)	(\$399)	(\$239)	(\$80)	(\$11,478)	\$0 (\$11,478)
10	Difference True-Up to Projection (Line 8 - Line 9)		<u>(\$132,812)</u>	<u>(\$139,435)</u>	<u>(\$146,191)</u>	<u>(\$152,964)</u>	<u>(\$159,793)</u>	<u>(\$166,549)</u>	<u>(\$1,557,613)</u>	<u>(\$315,325) (\$1,872,938)</u>
11	Actual / Estimated True-up Amount for Carrying Cost on DTA(DTL) (Order No. PSC 09-0783-FOF-EI)		(572)	(468)	(366)	(263)	(161)	(60)	(\$7,519)	\$0 (\$7,519)
12	Final True-Up of Carrying Costs on DTA(DTL) (Line 8 - Line 11)		<u>(\$133,117)</u>	<u>(\$139,684)</u>	<u>(\$146,384)</u>	<u>(\$153,099)</u>	<u>(\$159,871)</u>	<u>(\$166,568)</u>	<u>(\$1,561,572)</u>	<u>(\$315,325) (\$1,876,897)</u>

(a) For carrying charge purposes the monthly equity component reflects an 11% return on equity.  
 (b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 35% & 5.5% for state income taxes.  
 (c) In order to gross up the equity component for taxes a monthly rate of 0.007439034 (Equity) and 0.001325847 (Debt), results in the annual pre-tax rate of 11.04%.

See Additional Notes on Page 3

**St. Lucie and Turkey Point Upgrade Project**  
**Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Deferred Tax Carrying Costs**

[Section 5)(c)(1. b.)

Schedule T-3A (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA POWER & LIGHT COMPANY  
 DOCKET NO: 100009-EI

EXPLANATION: Provide the calculation of the Actual deferred tax Carrying Costs

For the Year Ended 12/31/2009  
 Witness: Winnie Powers

Line No

Notes

(d) Line 3 - Other Adjustments represents the turn around of the book tax expense deduction related to the debt component of the carrying charge calculated on T-3, Line 6c, 2008

This amount also includes 2009 income tax deductions. Amount is amortized over a 12 month period

2008 Other Adjustments T-3, Line 6c	\$357,449
2009 Income Tax Deductions *	<u>(\$19,366,446)</u>
	<u>(\$19,008,997)</u> <u>(\$1,584,083)</u> Monthly Amortization

\* See Note (i)

(e) Line 4 - Tax Basis Less Book Basis (Beginning of Period) includes the following:

2008 T-3A Line 4 (12 month) Balance	(\$357,449)
2008 Income Tax Deductions **	<u>(\$26,347,994)</u>
	<u>(\$26,705,444)</u>

\*\* See Attached 2008 Schedule T-3A

(f) Line 6b - Prior Months Cumulative Return on DTA/(DTL) (January Balance) includes 2008 carrying charges related to the income tax deductions in order to calculate a return in 2009.

The 2008 carrying charges to be refunded to customers are shown in Column Q.

2008 T-3A Line 6B (12 Month Total)	(\$5,024)
2008 Carrying Charge Adjustment related to Income Tax Deductions**	<u>(\$315,325)</u>
	<u>(\$320,349)</u>

\*\* See Attached 2008 Schedule T-3A

(g) Line 7 (Column K & O) - Carrying Costs on DTA/(DTL) August Balance includes a retroactive carrying charge adjustment that was made as a result of the removal of computer equipment and furniture from costs not meeting the capitalization requirements.

December 2009 carrying charges include a retro-active carrying charge adjustment related to the previous removal of contractor payments.

	<u>August</u>	<u>December</u>
DTA/(DTL) Carrying Charge Retro-Active Adjustment	\$39	\$130
DTA/(DTL) 2009 Carrying Charges	<u>(\$140,192)</u>	<u>(\$166,758)</u>
	<u>(\$140,153)</u>	<u>(\$166,628)</u>

(h) Adjustments (Column Q) reflect the carrying charge impact through 2008 related to 2008 income tax deductions, to be refunded to customers in 2011. The 2008 deferred income tax liability related to deductions prior to 2009 is included in Column A line 4, on page 1 as explained in footnote (e).

(i) Estimated 2009 deductions under the following IRS Code Section, Research and Development (IRC Sec. 174) (sometimes referred to as Research and Experimentation) have been applied ratably over the 12 months in 2009 and are included in the 2009 T-3a schedule Other Adjustments Line 3 (see note d). Since FPL has not filed its 2009 tax return at the time of this filing, deductions taken on the 2009 tax return will be lined up in the 2010 T-3a schedules filed on March 1, 2011. The 2009 carrying charges on the deferred tax liabilities related to 2006 through 2009 deductions are included in total carrying charges on the T-3a schedule.

The jurisdictional tax deduction is determined by the jurisdictional separation factor in the year when FPL filed its tax return.

Tax Deduction Description	FPL System Qualifying Expenditures	System Deductions Attributed to Qualifying Expenditures	Jurisdictional Separation Factor	Jurisdictional Deductions
2009 R&D	\$ 19,434,684	\$ 19,434,684	0.99648868	19,366,447

**St. Lucie and Turkey Point Upgrade Project  
Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: 2008 Deferred Tax Carrying Costs**

[Section (5)(c)1 b.]

2008 Schedule T-3A (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA POWER & LIGHT COMPANY  
DOCKET NO.: 100009-EI

EXPLANATION: Provide the calculation of the Actual deferred tax Carrying Costs.

For the Year Ended 12/31/2008

Witness: Winnie Powers

Line No	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 6 Month Total
Jurisdictional Dollars								
1		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3		\$0	\$0	\$0	\$0	\$0	\$0	\$0
4		\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	38.575%	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 a		\$0	\$0	\$0	\$0	\$0	\$0	
b		\$0	\$0	\$0	\$0	\$0	\$0	\$0
c		\$0	\$0	\$0	\$0	\$0	\$0	
7								
a		\$0	\$0	\$0	\$0	\$0	\$0	\$0
b		\$0	\$0	\$0	\$0	\$0	\$0	\$0
c		\$0	\$0	\$0	\$0	\$0	\$0	\$0
8		\$0	\$0	\$0	\$0	\$0	\$0	\$0
9								\$0
10		\$0	\$0	\$0	\$0	\$0	\$0	\$0

(a) For carrying charge purposes the monthly equity component reflects an 11% return on equity.  
 (b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 35% & 5.5% for state income taxes.  
 (c) In order to gross up the equity component for taxes a monthly rate of 0.007439034 (Equity) and 0.001325847 (Debt), results in the annual pre-tax rate of 11.04%.

See Additional Notes on Page 2



**St. Lucie and Turkey Point Uprate Project  
Construction Costs and Carrying Costs on Construction Cost Balance  
True-up Filing: 2008 Deferred Tax Carrying Costs**

[Section (5)(c) f. b.]

2008 Schedule T-3A (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
COMPANY: FLORIDA POWER & LIGHT COMPANY  
DOCKET NO : 100009-EI

EXPLANATION: Provide the calculation of the Actual deferred tax Carrying Costs.

For the Year Ended 12/31/2008

Witness Winnie Powers

Line No		(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total
Jurisdictional Dollars									
1	Construction Period Interest (Schedule T-3B, Line 7)		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Recovered Costs Excluding AFUDC		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Other Adjustments (d)(e) Pg. 2		\$0	\$0	(\$26,347,994)	\$0	\$0	\$0	(\$26,347,994)
4	Tax Basis Less Book Basis (Prior Mo Balance + Line 1 + 2 + 3)		\$0	\$0	(\$26,347,994)	(\$26,347,994)	(\$26,347,994)	(\$26,347,994)	(\$26,347,994)
5	Deferred Tax Asset DTA/(DTL) on Tax Basis in Excess of Book (Line 4 * Tax Rate)	38.575%	\$0	\$0	(\$10,163,739)	(\$10,163,739)	(\$10,163,739)	(\$10,163,739)	(\$10,163,739)
6	a. Average Accumulated DTA/(DTL)		\$0	\$0	(\$5,081,869)	(\$10,163,739)	(\$10,163,739)	(\$10,163,739)	
	b. Prior months cumulative Return on DTA/(DTL)		\$0	\$0	\$0	(\$44,542)	(\$134,016)	(\$224,275)	(\$315,325)
	c. Average DTA/(DTL) including prior period return subtotal		\$0	\$0	(\$5,081,869)	(\$10,208,281)	(\$10,297,755)	(\$10,388,014)	
7	Carrying Cost on DTA/(DTL)								
	a. Equity Component (Line 7b * 61425) (a)		\$0	\$0	(\$23,221)	(\$46,646)	(\$47,055)	(\$47,467)	(\$164,389)
	b. Equity Comp. grossed up for taxes (Line 6c * 0.007439034) (a) (b) (c)		\$0	\$0	(\$37,804)	(\$75,940)	(\$76,605)	(\$77,277)	(\$267,626)
	c. Debt Component (Line 6c x 0.001325847) (c)		\$0	\$0	(\$6,738)	(\$13,535)	(\$13,653)	(\$13,773)	(\$47,699)
8	Total Return Requirements (Line 7b + 7c)		\$0	\$0	(\$44,542)	(\$89,474)	(\$90,259)	(\$91,050)	(\$315,325)
9	Total Return Requirements from most recent Projections								
10	Difference (Line 8- Line 9)		\$0	\$0	(\$44,542)	(\$89,474)	(\$90,259)	(\$91,050)	(\$315,325)

- (a) For carrying charge purposes the monthly equity component reflects an 11% return on equity.
- (b) Requirement for the payment of income taxes is calculated using a Federal Income Tax rate of 35% & 5.5% for state income taxes.
- (c) In order to gross up the equity component for taxes a monthly rate of 0.007439034 (Equity) and 0.001325847 (Debt), results in the annual pre-tax rate of 11.04%.
- (d) FPL deducted costs on the income tax returns from 2007 -2008 under the following IRS Code Section, Research and Development (IRC Sec. 174) (sometimes referred to as Research and Experimentation)
- (e) The deferred tax liability created by deductions related to expenditures incurred in 2007 and 2008 is reflected in the NFR Schedules as of September 2008 which is when FPL filed its 2007 tax return. The carrying charges on these deferred tax liabilities through 2008 are reflected in the 2009 T-3a Schedules Column O. The beginning balance in the 2009 T-3a has been adjusted to reflect the deferred tax liability related to these deductions.

	Tax Deduction Description	FPL System Qualifying Expenditures	System Deductions Attributed to Qualifying Expenditures	Jurisdictional Separation Factor	Jurisdictional Deductions
2007	R&D	\$ 4,900,000	\$ 4,900,000	0.99648888	4,882,796
2008	R&D	\$21,540,831	\$ 21,540,831	0.99648888	21,465,199
	Total Deductions Taken in 2008	\$26,440,831	\$ 26,440,831	0.99648888	26,347,994

**St. Lucie and Turkey Point Uprate Project**  
**Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Construction Period Interest for St Lucie Unit 2 Turbine Gantry Crane**

{Section (5)(c)1. b.}

Schedule T-3B (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA POWER & LIGHT COMPANY  
 DOCKET NO. 100009-EI

EXPLANATION:

Provide the calculation of the Actual  
 Construction Period Interest.

For the Year Ended 12/31/2009

Witness: Winnie Powers

Line No.	(A) Beginning of Period	(B) Actual January	(C) Actual February	(D) Actual March	(E) Actual April	(F) Actual May	(G) Actual June	(H) 6 Month Total
Jurisdictional Dollars								
1	Beginning Balance	\$0	\$1,199,278	\$1,116,234	\$1,116,221	\$1,121,741	\$1,147,126	
2	Additions Site Selection	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Additions Construction (Appendix A Line 9)		\$1,198,669	(\$83,044)	(\$14)	\$5,520	\$13,343	\$1,159,859
4	Other Adjustments (a) (c)		610	-	-	-	-	\$610
5	Average Balance Eligible for CPI (Beg bal + [Line 2+3+4]/2)		<u>\$599,639</u>	<u>\$1,157,756</u>	<u>\$1,116,228</u>	<u>\$1,118,981</u>	<u>\$1,134,433</u>	<u>\$1,153,797</u>
6	CPI Rate		0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
7	Construction Period Interest for Tax (CPI) (b)		\$0	\$0	\$0	\$0	\$0	\$0
8	Ending Balance	<u>\$0</u>	<u>\$1,199,278</u>	<u>\$1,116,234</u>	<u>\$1,116,221</u>	<u>\$1,121,741</u>	<u>\$1,147,126</u>	<u>\$1,160,469</u>

- (a) Construction charges relate to the modifications to the St Lucie Unit 2 Turbine Gantry Crane placed into service December 22, 2009.  
 (b) According to Internal Revenue Code and Regulations § 1.263A-12, property subject to capitalization of CPI must have physical construction costs. Physical construction began July 2009.  
 (c) Other Adjustments are Pension & Welfare Benefit Credit on a jurisdictionalized basis and adjusted for participants ownership for the calculation of CPI.  
 (participant ownership rates of 6.08951% for OUC & 8.806% for FMPA for St. Lucie Unit 2) (Appendix B Note b)

	January	February	March	April	May	June	6 Month Total
Pension & Welfare Benefit Credit	(43)						\$ (43)
P&W Engineering Benefit Credit for Tax	674						\$ 674
Business Meals	(21)						\$ (21)
	<u>610</u>						<u>\$ 610</u>

**St. Lucie and Turkey Point Uprate Project**  
**Construction Costs and Carrying Costs on Construction Cost Balance**  
**True-up Filing: Construction Period Interest for St Lucie Unit 2 Turbine Gantry Crane**

[Section (5)(c)1.b.]

Schedule T-3B (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY FLORIDA POWER & LIGHT COMPANY  
 DOCKET NO 100009-EI

EXPLANATION:

Provide the calculation of the Actual  
 Construction Period Interest.

For the Year Ended 12/31/2009

Witness: Winnie Powers

Line No	(I) Beginning of Period	(J) Actual July	(K) Actual August	(L) Actual September	(M) Actual October	(N) Actual November	(O) Actual December	(P) 12 Month Total
Jurisdictional Dollars								
1	Beginning Balance	\$1,160,469	\$1,214,307	\$1,383,837	\$1,807,076	\$1,890,956	\$2,000,863	
2	Additions Site Selection	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Additions Construction (Appendix A Line 9)	\$49,048	\$164,141	\$416,554	\$76,223	\$101,737	\$457,338	\$2,424,899
4	Other Adjustments (a) (c)	-	-	-	-	(74)	-	\$536
5	Average Balance Eligible for CPI (Beg bal + [Line 2+3+4]/2)	\$1,184,993	\$1,296,377	\$1,592,114	\$1,845,188	\$1,941,788	\$2,229,532	
6	CPI Rate	0.404210%	0.415780%	0.419900%	0.414950%	0.424550%	0.431490%	
7	Construction Period Interest for Tax (CPI) (b)	\$4,790	\$5,390	\$6,685	\$7,657	\$8,244	\$9,620	\$42,386
8	Ending Balance	\$1,160,469	\$1,214,307	\$1,383,837	\$1,807,076	\$1,890,956	\$2,000,863	\$2,467,821

(a) Construction charges relate to the modifications to the St Lucie Unit 2 Turbine Gantry Crane placed into service December 22, 2009.

(b) According to Internal Revenue Code and Regulations § 1.263A-12, property subject to capitalization of CPI must have physical construction costs. Physical construction began July 2009.

(c) Other Adjustments are Pension & Welfare Benefit Credit on a jurisdictionalized basis and adjusted for participants ownership for the calculation of CPI.

(participant ownership rates of 6.08951% for OUC & 8.806% for FMPA for St. Lucie Unit 2)

	July	August	September	October	November	December	12 Month Total
Pension & Welfare Benefit credit					(34)	\$	(77)
P&W Engineering Benefit Credit for Tax					(40)	\$	634
Business Meals					-	\$	(21)
					(74)	-	\$ 536

**St. Lucie and Turkey Point Uprate Project**  
**Construction Costs and Carrying Costs on Construction Costs**  
**True-up Filing: Recoverable O&M Monthly Expenditures**

[Section (5)(c)1.b.]  
 [Section (8)(e)]

Schedule T-4 (True-up)

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: FLORIDA POWER & LIGHT COMPANY  
 DOCKET NO. 100009-EI

EXPLANATION: Provide the CCRC Recoverable O&M actual monthly expenditures by function

For the Year Ended 12/31/2009

Witness: Winnie Powers and Terry O. Jones

Line No.	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) Actual July	(H) Actual August	(I) Actual September	(J) Actual October	(K) Actual November	(L) Actual December	(M) 12 Month Total
1	Legal													0
2	Accounting													0
3	Corporate Communication													0
4	Corporate Services													0
5	IT & Telecom													0
6	Regulatory													0
7	Human Resources													0
8	Public Policy													0
9	Community Relations													0
10	Corporate Communications													0
11	Subtotal A&G													0
12	Energy Delivery Florida													
13	Nuclear Generation (a)			65	104,595	70,485	137,632	8,474	3,444	2,344	126,900	(31,419)	75,556	498,077
14	Transmission													
15	Total O&M Costs			65	104,595	70,485	137,632	8,474	3,444	2,344	126,900	(31,419)	75,556	498,077
16	Participants Credits PSL unit 2 (b)													
17	OUC	\$0	\$0	(\$1)	(\$3,178)	(\$1,284)	(\$103)	(\$258)	(\$105)	(\$71)	(\$237)	(\$37)	(\$2,060)	(\$7,335)
18	FMFA	0	0	(1)	(4,596)	(1,857)	(149)	(373)	(152)	(103)	(343)	(53)	(2,979)	(10,606)
19	Total Participants Credits PSL unit 2	\$0	\$0	(\$2)	(\$7,774)	(\$3,141)	(\$251)	(\$631)	(\$257)	(\$175)	(\$580)	(\$90)	(\$5,039)	(\$17,941)
20	Total FPL O&M Costs			62	96,821	67,344	137,381	7,843	3,187	2,170	126,320	(31,509)	70,517	480,136
21	Jurisdictional Factor (A&G)													
22	Jurisdictional Factor (Distribution)													
23	Jurisdictional Factor (Nuclear - Production - Base)	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888
24	Jurisdictional Factor (Transmission)													
25	Jurisdictional Recoverable Costs (A&G) (Line 11 X Line 16)													
26	Jurisdictional Recoverable Costs (Distribution) (Line 12 X Line 17)													
27	Jurisdictional Recoverable Costs (Nucl - Production - Base) (Line 13 X Line 1)			62	96,481	67,108	136,899	7,816	3,176	2,162	125,876	(31,399)	70,269	478,450
28	Jurisdictional Recoverable Costs (Transmission) (Line 14 X Line 19)													
29	Total Jurisdictional Recoverable O&M Costs			62	96,481	67,108	136,899	7,816	3,176	2,162	125,876	(31,399)	70,269	478,450
30	Projected O&M Costs for the period (Order No. PSC 08-0749-FOF-EI)													
31	Difference True-up to Projections (Line 29 - Line 30)			62	96,481	67,108	136,899	7,816	3,176	2,162	125,876	(31,399)	70,269	478,450
32	Actual/Estimated O&M Costs for the period (Order No. PSC 09-0783-FOF-EI)				199,363	43,138	43,138	43,138	43,138	43,138	43,138	43,138	43,138	544,467
33	Final True-Up of O&M Costs (Line 29 - Line 32)			62	(102,882)	23,970	93,761	(35,322)	(39,962)	(40,976)	82,738	(74,537)	27,131	(66,017)

(a) Consists of items that do not meet FPL's capitalization policy such as non-capitalizable computer hardware and software and office furniture & fixtures needed for new project-bound hires, incremental staff and augmented contract staff. Additionally it includes the write-off of inventory rendered obsolete of \$18,864 related to St. Lucie Unit 2 Gantry Crane Modifications. (See Witness Jones Testimony)  
 (b) Adjusted for participant ownership rates of 6.08951% for OUC & 8.808% for FMFA for St. Lucie Unit 2.



**St. Lucie and Turkey Point Uprate Project**  
**Construction Costs and Carrying Costs on Construction Cost Balance**  
 True-up Filing: Monthly Expenditures

[Section (5)(c)1 a.]  
 [Section (8)(d)]

Schedule T-6A (True-up)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a description of the major tasks performed within Construction categories.

COMPANY: FLORIDA POWER & LIGHT COMPANY

For the Year Ended 12/31/2009

DOCKET NO.: 100009

Witness: Terry O. Jones

Line No.	Major Task	Description - Includes, but is not limited to:
1	<b>Construction period:</b>	
2	<b>Generation:</b>	
3	License Application	NRC requirements associated with the operating license (Nuclear Steam Supply System and Balance of Plant contracts for License Amendment Request)
4	Engineering & Design	Utility and contracted engineering support staff
5	Permitting	Site certification and construction permits
6	Project Management	FPL and Contractor staff required to oversee/manage project
7	Clearing, Grading and Excavation	
8	On-Site Construction Facilities	
9	Power Block Engineering, Procurement, etc.	Power block equipment and facilities engineering packages, material procurement, and implementation labor. Modifications/activities with significant costs in 2009 below:
a	Turkey Point (PTN) Bechtel - EPC	Engineering, procurement and project management activities focused on modifications authorized via Form 14.
b	St. Lucie (PSL) Bechtel - EPC	Engineering, procurement and project management activities focused on modifications authorized via Form 14.
c	PTN 3&4 Generator Rotor Replacement	Procure new rotors for Generators - continuing milestone payments. Installation later.
d	PSL 1&2 Generator Components	Procure components for upgrade of Generators - continuing milestone payments. Installation later.
e	PSL 1&2 Low Pressure Turbine Internals	Procure new rotors and related equipment for PSL Low Pressure Turbines - continuing milestone payments. Installation later.
f	PTN 3&4 Condenser Component Procurement	Procure major PTN Condenser components - continuing milestone payments. Installation later.
g	PSL & PTN Feedwater Heater Procurement	Procure PSL & PTN Feedwater Heaters - continuing milestone payments. Installation later.
h	PSL 1&2 Moisture Separator Reheater (MSR) Procurement	Procure PSL MSR - continuing milestone payments. Installation later.
i	PSL & PTN Feedwater Flow Measurement (LEFM) Procurement	Procure PSL & PTN Feedwater flow measurement components - continuing milestone payments. Installation later.
j	PSL 1&2 Turbine Plant Cooling Water Heat Exchanger Procurement	Procure replacement (higher capacity) heat exchanger/s. Installation later.
k	PSL 1&2 Feedwater Pump Procurement	Procure replacement (higher flow) pumps. Installation later.
l	PSL 1&2 Turbine Gantry Crane Upgrades	PSL2 upgrade completed December 2009. Continuing milestone payments for PSL1 upgrade.
m	PSL2 Control Element Drive Mechanism Control System	Phase 1 of project to upgrade control system. Phase 2 scheduled for 2011.
n	PTN 3&4 Normal Containment Cooler Procurement	Procurement of components for Normal Containment Cooler replacement. Installation later.
10	Non-Power Block Engineering, Procurement, etc.	Non-power block equipment and facilities engineering packages, material procurement, and implementation labor (training simulator upgrades)
11		
12	<b>Transmission:</b>	
13	Line Engineering	Engineering, permitting, procurement, planning & scheduling of work.
14	Substation Engineering	Engineering, permitting, procurement, planning and scheduling of work.
15	Line Construction	Installation including construction oversight
16	Substation Construction	Installation including construction oversight
17		
18		

**St. Lucie and Turkey Point Uprate Project**  
**Construction Costs and Carrying Costs on Construction**  
**True-up Filing: Variance Explanations**

[Section (8)(d)]

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION:

Provide annual variance explanations comparing the actual expenditures to the most recent projections filed with the Commission.

COMPANY FLORIDA POWER &amp; LIGHT COMPANY

For the Year Ended 12/31/2009

DOCKET NO -

Witness: Terry O Jones

Line No	(A) Total Actual	(B) Total Actual/Estimated	(C) Total Variance	(D) Explanation
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NSSS/Fuel Engineering greater than plan - delay in completion and growth in licensing scope. Ongoing conceptual engineering and LAR support required greater owner engineering effort. Compliance costs related to PTN Cooling Canal SCA Conditions of Certification. FPL has elected to place greater reliance upon EPC contractor in lieu of owner organization.

Bechtel utilization less than plan by \$10.4 million. Long Lead Materials \$9.1 million less than plan. \$4.2 million station indirect outage costs not utilized by PSL. Incurred Simulator modification costs greater than planned.

Initial substation engineering cost estimates were based on aggressive scheduling of construction activities in 2010. During 2009 we revised the start of several substation construction activities initially scheduled for 2010 to outages schedule for 2011 and 2012. This resulted in substation engineering costs moved from 2009 to 2010. Part of the transmission line engineering and construction scheduled during St Lucie #2 Spring, 2009 outage was deferred to St Lucie #1 Spring, 2010 out.

St. Lucie and Turkey Point Uprate Project  
Appendix I-A  
Monthly Expenditures For the St. Lucie Unit 2 (PS2) Turbine Gantry Crane

Docket No. 100009  
Monthly Expenditures - PS2 Turbine Gantry Crane  
Appendix I - A  
Witness: Winnie Powers & Terry O. Jones

Line No	Description	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) Actual July	(H) Actual August	(I) Actual September	(J) Actual October	(K) Actual November	(L) Actual December	(O) 12 Month Total
1	<b>Construction:</b>													
2	Total Generation costs	1,398,398	(84,321)	-	6,498	22,966	19,217	60,917	193,549	491,588	89,880	119,954	538,167	2,858,822
3	Participants Credits PSL unit 2 (a)													
4	OUC	(79,825)	402	(6)	(392)	1,026	(2,382)	(4,782)	(11,786)	(30,075)	(5,473)	(7,305)	(32,385)	(173,084)
5	FMPA	(115,579)	582	(8)	(567)	1,483	(3,445)	(6,915)	(17,044)	(43,492)	(7,915)	(10,564)	(46,832)	(250,295)
6	Total participants credits PSL unit 2	(195,504)	984	(14)	(959)	2,509	(5,827)	(11,696)	(28,830)	(73,567)	(13,388)	(17,869)	(79,218)	(423,379)
7	Total FPL Generation Costs	1,202,892	(83,337)	(14)	5,539	25,474	13,390	49,221	164,719	418,021	76,492	102,085	458,949	2,433,443
8	Jurisdictional Factor	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888
9	Total FPL Jurisdictional Generation Costs	1,198,669	(83,044)	(14)	5,520	25,385	13,343	49,048	164,141	418,554	76,223	101,737	457,338	2,424,899
10	<b>Adjustments:</b>													
11	Non-Cash Accruals (c)	-	-	-	-	-	-	8,282	(8,282)	-	-	-	-	-
12	Other Adjustment (b) (c)	(43)	-	-	-	-	-	-	-	-	-	34	-	(9)
13	Total Adjustments	(43)	-	-	-	-	-	8,282	(8,282)	-	-	34	-	(9)
14	Jurisdictional Factor	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888
15	Total Jurisdictional Adjustments	(43)	-	-	-	-	-	8,233	(8,233)	-	-	34	-	(9)
16														
17	Total Jurisdictional Construction Costs Net of Adjustments	1,198,711	(83,044)	(14)	5,520	25,385	13,343	40,815	172,374	418,554	76,223	101,703	457,338	2,424,908

(a) Participant ownership rates of 6.08951% for OUC & 8.806% for FMPA

(b) Other adjustments represent Pension & Welfare Benefit credit.

P&W Jurisdictional Computation:

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Other Adjustments	(43)	0	0	0	0	0	0	0	0	0	34	0	(9)
Jurisdictional Factor	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888	0.99648888
	\$ (43)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34	\$ 0	\$ (9)

(c) Non-cash accruals and other adjustments are net of participants for PSL2 (participant ownership rates of 6.08951% for OUC & 8.806% for FMPA).