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August 16, 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

Re: Docket No. 100009-EI

Dear Ms. Cole:

Please find enclosed for filing in the above docket the original and seven (7) copies of Florida Power & Light Company's ("FPL's") Motion for Leave to Revise Testimony, Exhibits, and Appendices as requested by the Prehearing Officer on August 11, 2010.

Also enclosed for filing are the originals and fifteen (15) copies of the revised testimony and exhibits of FPL witnesses Winnie Powers, Steven Scroggs, Terry Jones, and John Reed. The testimony enclosed is in legislative (or "type and strike") format, reflecting edits made since the testimony was originally filed, as requested by the Prehearing Officer on August 11, 2010. FPL notes that the edits in the testimony may not line up precisely with the edits noted on the errata sheets filed August 9, 2010, because making the edits to the testimony in the requested "type and strike" format has caused line and page numbers within the revised testimony to shift.

Also enclosed are the public versions of revised Appendices I, II, and III to FPL's March 1, 2010 filing and Appendices I, II, and III to FPL's May 3, 2010 filing (the "Nuclear Filing Requirements"), reflecting computational/formulaic corrections. A "comment box" has been added to the cell that reflects the initial error correction, while all cells that change as a result of that correction are highlighted. The confidential copy of FPL's revised appendices was filed August 9, 2010, along with a request for confidential classification.

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If there are any questions regarding this transmittal, please feel free to contact me.

Counsel for Parties of record (w/ enc.)

Sincerely. Jenne A. Warns

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FPSC-COMMENSION CLERA

## **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Nuclear Power Plant ) <u>Cost Recovery Clause</u>) Docket No. 100009-EI Filed: August 16, 2010

# FLORIDA POWER & LIGHT COMPANY'S MOTION FOR LEAVE TO REVISE TESTIMONY, EXHIBITS AND APPENDICES TO CORRECT ERRORS AND REFLECT ACCURATE INFORMATION

Pursuant to the Prehearing Officer's order issued at the Preahearing Conference in this docket on August 11, 2010, and Rule 28-106.204, Florida Administrative Code ("F.A.C."), Florida Power & Light Company ("FPL") is hereby requesting leave to file revised testimony, exhibits and appendices to make corrections that were identified after FPL's original filings in this docket. In support of FPL's request, FPL states as follows:

## BACKGROUND

1. After FPL filed its testimony, exhibits, and appendices (consisting of FPL's "Nuclear Filing Requirements" or "NFRs") in this docket, FPL became aware of certain computational and formulaic errors in Appendices I, II and III to its March 1, 2010 filing and Appendices I, II, and III to its May 3, 2010 filing. These appendices consist of hundreds of spreadsheets with thousands of cells and computations, many of which are linked and interdependent on one another. Accordingly, one error has the potential to affect dozens of different cells and spreadsheets. FPL identified three such errors.

2. In addition to the discovery of the accounting issues discussed above, all FPL witnesses in proceedings before the Florida Public Service Commission ("Commission") are requested to review their testimony prior to the date of the hearing so that FPL can provide parties with advance notice of any corrections to testimony by filing errata sheets, thus helping streamline the hearings. This process helps ensure the accuracy of FPL's testimony at the time

ED 1958 NUMBER DATE 16747 AUG 16 2 FPSC-COMMISSION CLERK of the hearing and provides advance notice to all parties of any errors and corrections. As a result of this process, witnesses Winnie Powers, Steven Scroggs, Terry Jones, and John Reed identified the need for corrections. Additionally, Ms. Powers revised her May testimony to conform to the agreed-upon Operations & Maintenance ("O&M") recovery method that she discussed in her Supplemental testimony, and Mr. Jones and Mr. Reed identified a few statements that needed revision or further clarification due to recent events affecting the Extended Power Uprate ("EPU") project. Such revisions are necessary for the witness to affirm, at the time of the hearing, that his or her pre-filed testimony is accurate.

3. In response to the computational/formulaic errors identified in the appendices, and the need to make corrections in certain witnesses' testimony, FPL began preparing errata sheets and revised appendix books for filing in the docket and service on the parties. FPL was able to finalize the numbers needed for its prehearing statement in time to include those corrected numbers in its prehearing statement filed August 3, 2010, and noted in its prehearing statement that the numbers reflected accounting errata. However, the process of drafting and finalizing the errata sheets and appendix books, review, printing, duplicating, binding, shipping (via overnight UPS delivery), and filing was not complete until six calendar days later on August 9, 2010. FPL filed its revised appendices and errata at that time.

4. On August, 11, 2010, the Prehearing Officer ordered FPL to file its errata as revised testimony in "type and strike" format, re-file its revised appendices with the corrected cells highlighted, and file a request for permission to make such filings. FPL e-mailed the parties in this docket a copy of the revised testimony and revised appendices on August 13, 2010, and is filing with the Commission Clerk a copy of its revised filings herewith, pursuant to the Prehearing Officer's direction.

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### **EXPLANATION OF CHANGES**

## **Nuclear Filing Requirements**

5. As noted above, FPL discovered three errors in the NFR spreadsheets which, upon correction, had the effect of "rippling through" numerous cells and spreadsheets. The first error was the use of a double average (i.e., the average of plant in service was used instead of plant in service, and then an average of that number) in the base rate revenue requirements for EPU plant going into service in 2010 and 2011. Correcting this error caused an increase in 2010 revenue requirements of \$536,602 and an increase in carrying charges of \$4,888. For 2011, correcting this error caused an increase in revenue requirements of \$1,957,196 and an increase in carrying charges of \$28,477. The total 2010 and 2011 impact is an increase to revenue requirements of \$2,527,163 for the EPU project.

6. The second error affecting the NFR spreadsheets was the exclusion of a participant credit from an amount that was reclassified out of FPL's recoverable 2009 Operations & Maintenance ("O&M") expense (i.e., too much was removed from O&M). Correcting this error results in an increase in 2009 recoverable O&M of \$2,484. The commercial paper interest rate impact of this error is an increase in 2010 revenue requirements of \$5 and an increase in 2011 revenue requirements of \$3. The total impact for 2009-2011 is \$2,492 for the EPU project.

7. The final NFR spreadsheet error was the calculation of a double carrying charge on the 2008 prior year deferred tax liability balance (the carrying charge to be credited to customers was calculated once in schedule T-3A and again in schedule T-3). Correcting this error has the effect of increasing EPU revenue requirements by \$555 in 2009, \$61 in 2010, and \$32 in 2011; increasing Turkey Point 6 & 7 Preconstruction revenue requirements by \$482 in 2009, \$53 in 2010, and \$28 in 2011; and increasing Site Selection revenue requirements by \$344 in 2009, \$38 in 2010, and \$20 in 2011. The total impact of correcting all three NFR errors is to increase FPL's 2011 Nuclear Cost Recovery amount by \$2,531,868. An "NFR Errata Summary" is attached hereto as Attachment 1 for additional clarification.

### Testimony

8. The revisions to the March, May, and Supplemental testimony of Winnie Powers consist of the changes to numbers necessitated by the accounting corrections discussed above. Also, Ms. Powers revised her May testimony to reflect the agreed-upon method of O&M recovery that is discussed in her Supplemental testimony. Edits to footnote (c) on WP-1 and footnote (c) on WP-7, which were not listed on Ms. Powers's errata and which only reflect the same corrections that appear elsewhere on her errata were also made. The need for these changes was not known to FPL at the time that its testimony and exhibits were filed, and was discovered in the course of review of the testimony and exhibits prior to hearings.

9. The revisions to the testimony of Steven Scroggs consist of the correction of one error (a reference to "bi-monthly" should have been a reference to "monthly") in his March testimony and the reflection of the accounting corrections discussed above in his May testimony. The revisions to the testimony of Terry Jones include typographical corrections as well as the addition of an "as of" date where necessary. Given the continuous evolution of the EPU project, it is appropriate to link particular portions of testimony to the point in time in which the testimony was developed. Additionally, in the interest of full disclosure, FPL added a statement to page five of Mr. Jones's May testimony explaining that, since the time the testimony was filed, the amount of plant being placed in service in 2010 has been reduced. Finally, the revisions to Mr. Reed include typographical corrections as well as certain updates that Mr. Reed determined were necessary in order for his testimony to be accurate at the time of the hearing. The need for the testimony corrections described above was discovered in review of the testimony prior to hearings, and should be permitted in order to help ensure the accuracy of the witnesses' testimony.

# **CONCLUSION**

Because each of the corrections discussed above helps ensure that the Commission has accurate information at the time of the Nuclear Cost Recovery Clause hearing, it is appropriate to make these revisions either through provision of written or oral errata prior to witnesses' testifying, as is the usual practice in Commission proceedings, or by granting this motion.

WHEREFORE, FPL requests leave to file its revised testimony, exhibits and appendices, in order to help ensure the accuracy of information that is reflected in FPL's filings and provided to the Commission in this docket.

Respectfully submitted this 16th day of August, 2010.

Bryan S. Anderson Fla. Auth. House Counsel No. 219511 Mitchell S. Ross Fla. Bar No. 108146 Jessica A. Cano Fla. Bar No. 0037372 Attorneys for Florida Power & Light Company 700 Universe Boulevard Juno Beach, Florida 33408-0420 (561) 304-5226 (561).691-7135 (fax)

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 Motion for Leave to Revise Testimony, Exhibits and Appendices to Correct Errors and Reflect Accurate Information was served electronically this 16th day of August, 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 <u>LBENNETT@PSC.STATE.FL.US</u> <u>KYOUNG@PSC.STATE.FL.US</u> ANWILLIA@PSC.STATE.FL.US

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# CERTIFICATE OF SERVICE DOCKET NO. 100009-EI

I HEREBY CERTIFY that a true and correct copy of the revised testimony and exhibits of FPL witnesses Winnie Powers, Steven Scroggs, Terry Jones, and John Reed, and revised Appendices I, II, and III to FPL's March 1, 2010 filing and Appendices I, II, and III to FPL's May 3, 2010 filing, was served by U.S. Mail this 16th day of August, 2010 to the following:

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