



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: July 22, 2002
TO: BLANCA BAYO, DIRECTOR, DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES
FROM: DIVISION OF ECONOMIC REGULATION (BREMANN) *JB WBM 1/82*
OFFICE OF GENERAL COUNSEL (STERN) *MS*
RE: DOCKET NO. 020648-EI

Attached is Florida Power & Light's July 17, 2002 response to staff's data request concerning the docketed matter.

JB:kb

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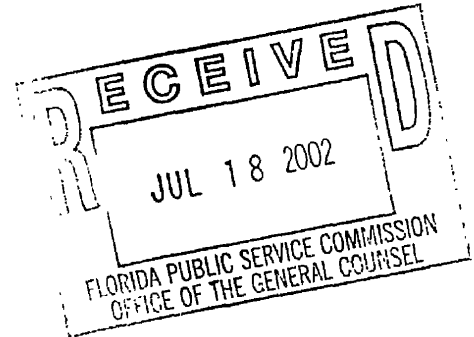
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July 17, 2002

-VIA FEDERAL EXPRESS-

Marlene Stern, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850



Re: Docket No. 020648-EI

Dear Marlene:

Recently, Florida Power & Light Company ("FPL") was provided an informal copy of Staff's First Set of Interrogatories (Nos. 1-6) concerning its petition for approval of recovery through the Environmental Cost Recovery Clause of the cost of its St. Lucie Turtle Net Project. So far as I am aware, the First Set of Interrogatories has not yet been formally served on FPL, either in this docket or Docket No. 020007-EI. However, I understand that the Staff needs FPL to answer the interrogatories as soon as possible, in order to prepare a recommendation by August 22, 2002, as contemplated by the CASR for this docket. Therefore, rather than wait for the First Set of Interrogatories to be formally served, I am enclosing on an informal basis FPL's answers to Interrogatory Nos. 1-6. I will send you an affidavit attesting to these answers next week.

Because FPL is providing the interrogatory answers on an informal basis at this time, I am not filing a notice of service with the Commission Clerk's office and have not attempted to determine whether there are any other parties to this docket that need to be served. If Staff later decides to serve the First Set of Interrogatories formally, FPL will be happy to comply with the usual procedural requirements for discovery responses at that time.

Sincerely,

John T. Butler, P.A.

Enclosure

STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-6)

DOCKET NO. 020648-EI

INTERROGATORY NO. 1

Q. When was Amendment No. 103 to "Appendix B To Facility Operating License No. NPF-16 St. Lucie Unit 2" issued?

A. Amendment No. 103 to "Appendix B To Facility Operating License No. NPF-16 St. Lucie Unit 2" was issued on July 2, 1999.

STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-6)

DOCKET NO. 020648-EI

INTERROGATORY NO. 2

Q. Which MFR Schedules, if any, in Docket No. 001148-EI included projected capitalized costs and O&M costs for the St. Lucie Turtle Net Project? Please include in your response the amounts included in each MFR schedule, if any, due to the St. Lucie Turtle Net Project for year 2002.

A. There are no MFR Schedules in Docket No. 001148-EI that include projected capital or O&M costs for the St. Lucie Turtle Net Project.

STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-6)
DOCKET NO. 020648-EI
INTERROGATORY NO. 3

Q. How did FP&L develop the estimate the \$14,856 O&M expense level due to the St. Lucie Turtle Net Project for year 2002? Please include in your response a list of the activities and types of charges that FP&L included in the year 2002 O&M estimate for the St. Lucie Turtle Net Project and the date on which the estimate was made.

A. FPL's projected 2002 O&M expense level of \$14,856 represents the jurisdictionalized portion of \$15,000 in total estimated 2002 O&M costs. This total is based on estimated expenses of \$^{14,000}5,000 in September 2002, and \$⁵10,000 in December 2002.

FPL has estimated the O&M costs based on its experience in maintaining the existing net system. The principal maintenance cost is for divers to conduct underwater inspections, cleaning and sediment removal. Inspections on the net are performed on a quarterly basis, and may take up to four days. The cost for divers is approximately \$1,500 per day for approximately 16 days per year. Additionally, \$1,000 is estimated for miscellaneous supplies such as rope and tie wraps, which are necessary for repairs.

The projected 2002 O&M expense level of \$15,000 represents maintenance expenses to be incurred in September 2002 through December 2002. Typically, much higher influxes of seaweed and jellyfish occur in ~~December~~^{September}, therefore, the majority of the maintenance is anticipated in that month.

STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-6)

DOCKET NO. 020648-EI

INTERROGATORY NO. 4

Q. How did FP&L develop the estimate of annual recurring O&M expenses totaling \$25,000 for the St. Lucie Turtle Net Project? Please include in your response a list of the activities and types of charges that FP&L included in the annual recurring O&M expenses due to the St. Lucie Turtle Net Project and the date on which the estimate was made.

A. Based on FPL's experience in maintaining the existing net system, the annual estimate is based on the cost of divers to conduct underwater inspections, cleaning and sediment removal. Inspections on the net are performed on a quarterly basis, and may take up to four days. The cost for divers is approximately \$1,500 per day for approximately 16 days. Additionally, \$1,000 is estimated for miscellaneous supplies such as rope and tie wraps, which are necessary for repairs.

STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-6)

DOCKET NO. 020648-EI

INTERROGATORY NO. 5

Q. How did FP&L develop the capitalized cost estimate of \$694,142 for the St. Lucie Turtle Net Project for the year 2002? Please include in your response a list of the facilities, activities and types of charges that FP&L included in the year 2002 capitalized cost estimate for the St. Lucie Turtle Net Project and the date on which the estimate was made.

A. As required by Nuclear Procedure NP-1100, any Purchase Request over \$15,000 must go out for competitive bid. All Purchase Orders/Purchase Requests below, except for the canal bottom surveys (a cost of only \$9,000), are the result of the competitive bid process and result in the capitalized cost estimate of \$694,142 for the St. Lucie Turtle Net Project.

- Purchase Order effective 3/6/02 issued to URS Geotechnical Corporation for \$50,000 to design the new barrier net. The conceptual design has been received from the vendor and a meeting has been scheduled to review this design. The vendor has taken core samples on the canal banks for sediment analysis.
- Purchase Order effective 5/10/02 issued to Dredge America for \$400,000 for dredging the canal in the vicinity of the barrier net to reduce velocities.
- Purchase Order effective 4/1/02 issued to Morgan and Eklund for \$9,000 for intake canal bottom profile survey.
- Purchase Request issued on 5/22/02 to purchase new type of net estimated at \$30,000 - still out for bid.
- Purchase Request issued on 5/5/02 to enhance support estimated at \$205,142 - still out for bid.

STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-6)

DOCKET NO. 020648-EI

INTERROGATORY NO. 6(a)

Q. Section 366.8255(2), Florida Statutes, requires that only costs that are prudently incurred can be recovered through the Environmental Cost Recovery Clause. The following questions address the issue of prudence.

Please provide information that demonstrates that the capital costs and O&M expenses for the new screen are reasonable.

A. Several alternatives were considered for the prevention of turtle mortalities due to the trapping of turtles in the intake canal. These include replacing the current net material with the same type of material, replacing the net with a new type of material and reinforcing support structures, dredging the intake canal to the design depth, and adding a sand removal system at the base of the net. It was determined that the implementation of any single option would not effectively reduce the current problem, but that a combination of all four options would substantially reduce the possibility of turtle drownings. FPL did not identify any lower-cost alternative that would effectively address the problem.

As required by Nuclear Procedure NP-1100, any Purchase Request over \$15,000 must go out for competitive bid. Therefore, all of the Purchase Requests included in the response to Interrogatory No. 5, except for the canal bottom surveys (a cost of only \$9,000), went out for bid.

STAFF'S FIRST SET OF INTERROGATORIES TO FLORIDA POWER & LIGHT COMPANY (NOS. 1-6)

DOCKET NO. 020648-EI

INTERROGATORY NO. 6(b)

Q. Please explain why the new screen will not operate defectively, as the old screen did. Please include in your response an explanation of how, given the smaller mesh size, FP&L can maintain adequate water intake when influxes of seaweed and jellyfish are high. This information is needed to ensure that FP&L will not have to incur costs to replace or redesign the screen repeatedly.

A. The principal problem with the old net was that the water flow through the net exerted enough pressure to deform the net substantially, which created pockets in the net that could trap and drown turtles. The 2002 St. Lucie Turtle Net Project is intended to reduce the deformation of the net in several ways. The new net material is designed not to stretch and deform. The mesh openings in the new net will be a bit larger, which will reduce the drag on the net from the water flow. By dredging the canal, the velocity of water across the net (and hence its drag on the net) will be cut about in half. The dredging will also increase the amount of exposed net surface area through which the water flows. Finally, the support system for the net will be enhanced to decrease the need for lowering the net during seaweed and jellyfish intrusion.