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March 3, 2008

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-VIA HAND DELIVERY -

Ms. Ann Cole, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 08 _____ -EI

Dear Ms. Cole:

I am enclosing for filing in the above docket the original and seven (7) copies of Florida Power & Light Company's Petition for Approval of Nuclear Power Plant Cost Recovery True-Up for the Period Ending December 2007 with a diskette containing the electronic version of same. The enclosed diskette is HD density, the operating system is Windows XP, and the word processing software in which the documents appear is Word 2003.

Also enclosed for filing are the original and fifteen (15) copies of the prefiled testimony and documents of Florida Power & Light Company witnesses K. Ousdahl and S. Hale.

If there are any questions regarding this transmittal, please contact me at 561-304-5253.

Sincerely,

Bryan S. Anderson
Bryan S. Anderson *for BSA*

- CMP _____
- COM 5
- CTR 1
- ECR + diskette
- GCL 3 Enclosure
- OPC _____ cc: Counsel for Parties of Record (w/encl.)
- RCA _____
- SCR _____
- SGA _____
- SEC _____
- JTH _____

DOCUMENT NUMBER-DATE

01606 MAR-3 08

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080119

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Nuclear Power Plant)
Cost Recovery Clause)

Docket No. 08____-EI
Filed: March 3, 2008

**PETITION FOR APPROVAL OF NUCLEAR POWER PLANT
COST RECOVERY TRUE-UP FOR THE PERIOD ENDING DECEMBER 2007**

Florida Power & Light Company ("FPL"), pursuant to section 366.93, Florida Statutes, and Rule 25-6.0432, Florida Administrative Code, hereby petitions this Commission for approval of a Nuclear Power Plant Cost Recovery ("NPPCR") true-up amount of \$8,236,652, net jurisdictional¹ for construction cost expenditures that have been incurred by FPL for the period ending December 2007 with respect to the nuclear power plant uprate project for which the Commission made an affirmative determination of need in Order No. PSC-08-0021-FOF-EI, Docket No. 070602-EI, dated January 7, 2008 (the "Uprate Project"), and for a determination that FPL prudently incurred those expenditures. In support of this Petition, FPL states as follows:

1. This is FPL's first occasion to make a filing for the Uprate Project pursuant to Rule 25-6.0423 (the "Rule"). Subsection (5) of the Rule provides that a utility may petition for recovery of costs only after a final order granting a determination of need has been issued. As noted in the preamble above, the final order for the Uprate Project was issued on January 7, 2008. The Rule calls for final true-up filings to be made by March 1 of each year and for estimated/actual true-up and projection filings to be made by May 1 of each year. Accordingly, FPL is only now in a position to utilize the Rule with respect to the Uprate Project.

¹ As presented in Mr. Hale's testimony's and provided on Schedule T-6, FPL's actual uprate expenditures for the period January 2007 through December 2007 are \$8,624,516. Schedule T-6 goes on to deduct the portion of this total for which the St. Lucie Unit 2 participants are responsible and then applies the retail jurisdictional factor to the remainder. After making those two adjustments, the net 2007 uprate expenditures for which retail customers are responsible are \$8,236,652.

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2. Subsection (5)(c)(1)(a) of the Rule provides for final true-up filings to be made by March 1 “for the prior year,” which is presently 2007. A “final true-up” ordinarily represents the difference between previously projected costs for a project in a particular year and the final, actual costs for the project in that year. However, because this is the first filing under the Rule for the Uprate Project, FPL has not previously filed projections of 2007 costs against which its actual 2007 costs can be compared. Therefore, for this first filing under the Rule, FPL is presenting as its final true-up the full amount of 2007 actual expenditures for the Uprate Project. In effect, this reflects a true up of the actual 2007 expenditures against prior projected values of zero, which is appropriate where there have been no prior projections included for recovery.

3. The prepared testimony and exhibits of FPL witnesses Stephen Hale and Kim Ousdahl are being filed together with this Petition and are incorporated herein by reference. Exhibit STH-1 to Mr. Hale’s testimony, which is co-sponsored by Ms. Ousdahl, consists of Appendix 1 containing schedules T-1 through T-10 of the so-called “Nuclear Filing Requirements” or “NFRs” that the Commission Staff has been working with FPL, the Office of Public Counsel, Progress Energy Florida and others to develop. The T Schedules are the NFRs that are intended to support final true-up filings such as the one that is the subject of this Petition.²

4. FPL is not seeking to recover any costs or carrying charges for 2007 with respect to the Uprate Project. FPL has not incurred and does not expect to incur “preconstruction costs”

² The NFRs consist of T, AE, P and TOR Schedules. The T Schedules are to be filed each March and provide the true-up for the prior year. In May, there are three sets of schedules to be filed: the AE Schedules provide the actual/estimated cost information for the current year, the P Schedules provide the projected expenditures for the subsequent year and the TOR schedules provide a summary of the actual and projected costs for the duration of the project.

or “site selection costs” for the Uprate Project, as that term is used in the Rule. It did not incur any recoverable O&M expenses for the Uprate Project in 2007. Finally, while FPL incurred \$8,236,652, net jurisdictional, of construction cost expenditures for the Project in 2007, it did not begin recording carrying charges on those expenditures until 2008.³ FPL is seeking by this Petition only a determination of the prudence of its 2007 Uprate Project construction cost expenditures, as contemplated by subsection (5)(c)(2) of the Rule, which provides that “[a]nnually, the Commission shall make a prudence determination of the prior year’s actual construction costs and associated carrying costs.”

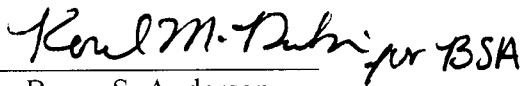
5. The monthly levels of expenditures in 2007 are shown on Schedule T-6 and the nature of those monthly expenditures is described in Schedule T-6A. The contracts under which those expenditures were incurred are identified and described in Schedules T-8, T-8A and T-8B. In addition, Mr. Hale’s testimony discussed the 2007 construction expenditures, why they were necessary, and the steps FPL has taken to ensure that the expenditures are reasonable and prudent.

³ FPL recorded the 2007 actual Uprate Project expenditures in FERC Account 183.705, “Preliminary Survey & Investigation charges,” which is not an account to which AFUDC or carrying charges apply. These expenditures were transferred into Construction Work In Progress (CWIP) in 2008. Consistent with FPL’s accounting practices, the calculation of carrying charges did not commence until this transfer occurred, so carrying charges will first be recorded on the 2007 expenditures in 2008.

WHEREFORE, Florida Power & Light Company respectfully requests the Commission to approve an NPPCR true-up amount of \$8,236,652, net jurisdictional, for construction cost expenditures that FPL has incurred for the period ending December 2007 with respect to the Uprate Project, and to determine that FPL prudently incurred those expenditures.

Respectfully submitted,

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BY: 
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CERTIFICATE OF SERVICE
Docket No. 08 _____-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing Florida Power & Light Company Petition for Approval of Nuclear Cost Recovery Net True-Up for the Period Ending December 2007 was served by hand delivery (*) or United States mail on this 3rd day of March, 2008, to the following persons:

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