Bryan S. Anderson
Managing Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5253
(561) 691-7135 (Facsimile)

March 1, 2012

-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. 120009-EI

Dear Ms. Cole:

Please find enclosed for filing in the above referenced 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 Year Ending December 2011 with a compact disc containing the electronic version of the same. The operating system is Windows XP, and the word processing software in which the document appears is Word 2007.

Also enclosed for filing are the original and fifteen (15) copies of the prefiled testimony and exhibits of Florida Power & Light Company witnesses S. Scroggs, T. Jones, W. Powers, A. Ferrer, Burns & Roe, Inc., and J. Reed, Concentric Energy Advisors.

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

Scroggs - DN 01236-12 > Exhibits - DN 01238-12
Jones - DN 01237-12
Powers - DN 01239-12
Ferrer - DN 01240-12
Reed - DN 01241-12

Sincerely,

R S. Anderson

Bryan S. Anderson

COM ____
APA 1 Enclosures
ECR 4+CD cc: Counsel for Parties of Record (w/encl.)
GCL 1
RAD 1
SRC ____
ADM ____
OPC ____
CLK ____

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Nuclear Power Plant Cost Recovery Clause	Docket No. 120009-EI Filed: March 1, 2012

PETITION FOR APPROVAL OF NUCLEAR POWER PLANT COST RECOVERY TRUE-UP FOR THE PERIOD ENDING DECEMBER 2011

Florida Power & Light Company ("FPL"), pursuant to Section 366.93, Florida Statutes, and Rule 25-6.0423, Florida Administrative Code, hereby petitions the Florida Public Service Commission ("the Commission") for approval of its 2011 Nuclear Power Plant Cost Recovery ("NPPCR") true-up overrecovery amount of $15,767,471, and for a determination that FPL prudently incurred its 2011 NPPCR costs. In support of this Petition, FPL states as follows:

INTRODUCTION

1. FPL is a corporation with headquarters at 700 Universe Boulevard, Juno Beach, Florida 33408. FPL is an investor-owned utility operating under the jurisdiction of this Commission pursuant to the provisions of Chapter 366, Florida Statutes. FPL is a wholly-owned subsidiary of NextEra Energy, Inc., a registered holding company under the Federal Public Utility Holding Company Act and related regulations. FPL provides generation, transmission, and distribution service to approximately 4.5 million retail customers.

2. Any pleading, motion, notice, order or other document required to be served upon FPL or filed by any party to this proceeding should be served upon the following individuals:

Kenneth Hoffman
Vice President Regulatory Affairs
Ken.Hoffman@fpl.com
Florida Power & Light Company
215 S. Monroe Street, Ste 810
Tallahassee, FL 32301
850-521-3919
850-521-3939 (fax)

Bryan S. Anderson
Managing Attorney
Bryan.Anderson@fpl.com
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
561-304-5253
561-691-7135 (fax)

3. This Petition is being filed consistent with Rule 28-106.201, Florida Administrative Code. The agency affected is the Florida Public Service Commission, located at 2540 Shumard Oak Blvd, Tallahassee, FL 32399. This case does not involve reversal or modification of an agency decision or an agency's proposed action. Therefore, subparagraph (c) and portions of subparagraphs (b), (e), (f) and (g) of subsection (2) of such rule are not applicable to this Petition. In compliance with subparagraph (d), FPL states that it is not known which, if any, of the issues of material fact set forth in the body of this Petition, or the supporting testimony, exhibits and Nuclear Filing Requirement ("NFR") schedules filed herewith, may be disputed by others planning to participate in this proceeding.

BACKGROUND AND OVERVIEW

4. Section 366.93, Florida Statutes, was adopted by the Legislature in 2006 to promote utility investment in nuclear power plants. The Commission's NPPCR Rule, Rule 25-6.0423, Florida Administrative Code, implements this statute and provides for the annual review of expenditures and annual recovery of eligible costs through the Capacity Cost Recovery Clause ("CCRC"). FPL's pursuit of additional nuclear generation is made possible by the available cost recovery mechanism.

5. By Order No. PSC-08-0021-FOF-EI, issued January 7, 2008, the Commission made an affirmative determination of need for FPL's Extended Power Uprate ("EPU" or "Uprate") project. By Order No. PSC-08-0237-FOF-EI, issued April 11, 2008, the Commission made an affirmative determination of need for FPL's Turkey Point 6 & 7 new nuclear project. Both projects are eligible for NPPCR treatment pursuant to Section 366.93(3), Florida Statutes, and Rule 25-6.0423, Florida Administrative Code.

6. Customers are expected to benefit significantly from additional nuclear capacity and generation. Together, these nuclear projects are anticipated to add approximately 2,690 megawatts of emission-free baseload generation to FPL's system. In addition to being emission-free, this energy source will improve the fuel diversity of FPL's system – acting as a hedge against volatile fossil fuel prices and improving energy independence – and will substantially reduce fuel costs charged to customers after the units enter commercial operation. The addition of capacity at the Turkey Point site also will help maintain balance between generation and load in the Southeastern Florida area, further improving the reliability of the system.

7. In compliance with the NPPCR Rule, FPL is recovering the preconstruction costs and carrying costs it is currently incurring for the Turkey Point 6 & 7 Project. These costs are necessary to pay vendors and personnel working now to obtain the licenses and permits needed for the Turkey Point 6 & 7 project. Since the EPU project is in the construction phase, FPL is recovering only the carrying charges on its construction balance together with recoverable Operations & Maintenance ("O&M") expenses and the base rate revenue requirements for the year the plant is placed into service.

8. FPL does not recover its capital investment in the EPU project until systems or components are placed in service, and even then, such base rate recovery does not reimburse FPL immediately. Rather, the substantial sums FPL is expending (to purchase equipment, pay vendors, etc.) will be recovered over the lives of the uprated units or systems placed into service. Through 2011, FPL has invested approximately $1.3 billion in the EPU project, as compared to the approximately $149 million it has recovered through the NPPCR Clause. The EPU project is already providing increased output for FPL's customers, will provide a majority of the remaining increase in output by the end of 2012, and will be complete in 2013.

9. In addition to the increase in nuclear power already being provided by the EPU project, FPL's substantial investment is yielding additional benefits. Through 2011, FPL's investment in the EPU project has employed over 3,300 workers at its nuclear power plant sites. This investment in Florida's energy infrastructure and economy has been made possible by the legislature's policy to support investment in nuclear projects, set forth in the NPPCR statute, and the Commission's careful implementation of that policy through the NPPCR Rule and its annual hearing process.

10. The NPPCR amount that FPL is currently recovering as approved by Order No. PSC-11-0547-FOF-EI was based in part on actual/estimated 2011 cost data. As described below and in the testimony being filed herewith, the true-up of FPL's actual 2011 NPPCR expenditures for its EPU and Turkey Point 6 & 7 projects is an overrecovery (i.e., a net "underspend") of $15,767,471, to be returned to customers through the CCRC in 2013. FPL is seeking approval of this amount and a prudence determination with respect to the underlying actual 2011 EPU and Turkey Point 6 & 7 costs.

11. The prepared testimony and exhibits of FPL witnesses Winnie Powers, Terry Jones, Steven Scroggs, John Reed, and Albert Ferrer are being filed together with this Petition and are incorporated herein by reference. Exhibit TOJ-1 to the testimony of FPL witness Jones, parts of which are sponsored or co-sponsored by FPL witness Powers, contains the true-up schedules for 2011 EPU costs. Exhibit SDS-1 to the testimony of FPL witness Scroggs, parts of which are sponsored or co-sponsored by FPL witness Powers, contains the true-up schedules for 2011 Turkey Point 6 & 7 costs. These NFR schedules were developed by the Commission Staff working with FPL, the Office of Public Counsel, Progress Energy Florida and others.[1]

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1 The NPPCR NFRs consist of True-Up (T), Actual/Estimated (AE), Projected (P), and True-Up to Original (TOR)

UPRATE PROJECT

12. The uprate of FPL's existing St. Lucie and Turkey Point nuclear units will deliver the substantial benefits of additional nuclear generating capacity to customers. Several key activities occurred in 2011, including the successful completion of two outages and the acceptance for review of the three EPU License Amendment Requests ("LARs") and the Turkey Point Core Operating Limits Report LAR by the Nuclear Regulatory Commission ("NRC"). FPL continued with engineering evaluations in support of its LARs; manufacturing, quality inspections, and receipt of long lead equipment; the management of major vendors and vendor contracts including the Engineering Procurement and Construction contract; design modification engineering; and detailed reviews and revisions to the modification installation planning and EPU outage schedules.

13. In 2011, FPL's Uprate costs included $666,684,324 in construction costs ($640,057,608 jurisdictional, net of participants), $77,586,524 in carrying costs, and $11,898,512 in recoverable O&M expenses including interest ($11,584,442 jurisdictional, net of participants). FPL also incurred $9,138,802 in base rate revenue requirements including interest for plant placed into service in 2011. Only those costs necessary for the implementation of the Uprates – not those associated with other capital or maintenance activities – are included in FPL's Uprate construction cost expenditures. FPL's Uprate expenditures are thus "separate and apart" from other nuclear plant expenditures.

14. FPL witness Jones's testimony discusses FPL's 2011 Uprate activities, expenditures, and project controls. FPL witness Powers presents the calculation of the carrying

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Schedules. The T Schedules are to be filed each March and provide the true-up for the prior year. The remaining schedules (the AE Schedules providing the actual/estimated cost information for the current year, the P Schedules providing the projected expenditures for the subsequent year, and the TOR schedules providing a summary costs for the duration of the project) are to be filed in May.

costs and revenue requirements recoverable pursuant to the NPPCR Rule and related accounting controls. Because the project is in the construction phase, only the carrying costs on construction costs, O&M, and revenue requirements for the year systems are placed in service are recoverable at this time. Recovery of the principal amount does not begin until base rate adjustments occur as the modified units or systems are placed into service. As demonstrated by each of those witnesses, and supported by the testimony of FPL witnesses Reed and Ferrer, the Uprate expenditures were prudently incurred at the direction of properly qualified and well-informed FPL management, subject to comprehensive cost and accounting controls, and based on decisions that result from robust project planning and project management processes.

TURKEY POINT 6 & 7 PROJECT

15. During 2011, FPL continued its disciplined pursuit of the approvals and authorizations necessary to proceed with Turkey Point 6 & 7 and maintained costs well within the annual budget. The project achieved key milestones in the Site Certification Application process by achieving "completeness" and moving on to the agency review stage. In the NRC licensing process, significant progress was made on the Combined Operating License Application.

16. FPL's 2011 Turkey Point 6 & 7 costs included preconstruction costs and associated carrying costs, as well as carrying costs on its site selection costs. In 2011, FPL incurred $23,150,978 in preconstruction costs ($22,877,378 jurisdictional), ($1,555,615) in preconstruction carrying costs, and $171,052 in site selection carrying costs for Turkey Point 6 & 7. FPL witness Scroggs's testimony discusses FPL's 2011 Turkey Point 6 & 7 activities, preconstruction costs, and site selection carrying costs, while FPL witness Powers presents the calculation of the recoverable preconstruction costs, preconstruction carrying costs, and site

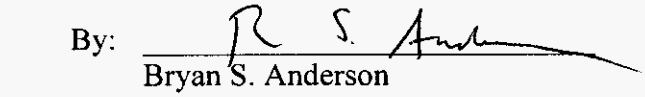
selection carrying costs pursuant to the Rule and related accounting controls. As demonstrated by each of those witnesses, and supported by the testimony of FPL witness Reed, the Turkey Point 6 & 7 expenditures were prudently incurred at the direction of properly qualified and well-informed FPL management, subject to comprehensive cost and accounting controls, and based on decisions that result from robust project planning and project management processes.

CONCLUSION

WHEREFORE, Florida Power & Light Company respectfully requests that the Commission (i) determine that FPL's actual 2011 Uprate project construction costs, associated carrying costs, recoverable O&M expenses, and base rate revenue requirements were prudently incurred; (ii) determine that FPL's actual 2011 Turkey Point 6 & 7 preconstruction costs and associated carrying costs and site selection carrying costs were prudently incurred; and (iii) approve a total 2011 NPPCR true-up overrecovery amount of $15,767,471 for inclusion in the calculation of the CCRC factors for the period beginning January 2013.

Bryan S. Anderson
Fla. Auth. House Counsel No. 219511
Mitchell S. Ross
Fla. Bar No. 108146
Kenneth M. Rubin
Fla. Bar No. 349038
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)

By: 

Bryan S. Anderson
Fla. Authorized House Counsel No. 219511
Admitted in IL, Not Admitted in FL

CERTIFICATE OF SERVICE
DOCKET NO. 120009-EI

I HEREBY CERTIFY that a true and correct copy of FPL's Petition for Approval of Nuclear Power Plant Cost Recovery True-Up for the Period Ending December 2011 and accompanying testimony and exhibits (including an electronic copy of non-confidential exhibits created in Excel format) was served via hand delivery* or overnight UPS delivery this 1st day of March, 2012 to the following:

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

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

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

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

Matthew Bernier, Esq.
Carlton Fields Law Firm
215 S. Monroe Street, Ste. 500
Tallahassee, Florida 32301
mbernier@carltonfields.com

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

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

Robert Scheffel Wright
John T. LaVia, III
Gardner, Bist, Wiener, Wadsworth, Bowden,
Bush, Dee, LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com
jlavia@gbwlegal.com
Attorneys for the Florida Retail Federation

Gary A. Davis, Esq.
James S. Whitlock, Esq.
Gary A Davis & Associates
P.O. Box 649
Hot Springs, NC 28743
gadavis@enviroattorney.com
jwhitlock@enviroattorney.com

Captain Samuel Miller
USAF/AFLOA/JACL/ULFSC
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403-5319
Samuel.Miller@Tyndall.af.mil

By: _____
Bryan S. Anderson
Fla. Authorized House Counsel No. 219511
Admitted in IL, Not Admitted in FL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 120009-EI
FLORIDA POWER & LIGHT COMPANY

MARCH 1, 2012

IN RE: NUCLEAR POWER PLANT COST RECOVERY
FOR THE YEAR ENDING
DECEMBER 2012

TESTIMONY & EXHIBITS OF:

STEVEN D. SCROGGS

COM 5
APA 2
ECR 15
GCL 1
RAD 1
SRC
ADM
OPC
CLK
CMP 1

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

DIRECT TESTIMONY OF STEVEN D. SCROGGS

DOCKET NO. 120009-EI

MARCH 1, 2012

Q. Please state your name and business address.

A. My name is Steven D. Scroggs and my business address is 700 Universe Boulevard, Juno Beach, FL 33408.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light Company (FPL) as Senior Director, Project Development. In this position I have responsibility for the development of power generation projects.

Q. Please describe your duties and responsibilities with regard to the development of new nuclear generation to meet FPL customer needs.

A. Commencing in the summer of 2006, I was assigned the responsibility for leading the investigation into the potential of adding new nuclear generation to FPL's system, and the subsequent development of new nuclear generation additions to FPL's power generation fleet. I currently lead the development of FPL's Turkey Point Nuclear Units 6 and 7 (Turkey Point 6 & 7).

Q. Please describe your educational background and professional experience.

A. I graduated from the University of Missouri – Columbia in 1984 with a Bachelor of Science Degree in Mechanical Engineering. From 1984 until 1994, I served in the United States Navy as a Nuclear Submarine Officer. From 1994 to 1996, I was a research associate at The Pennsylvania State University, where I earned a Masters Degree in Mechanical Engineering. I provided consulting and management services to the regulated and unregulated power generation industry through a number of positions until 2003, when I joined FPL as Manager, Resource Assessment and Planning.

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes, I am sponsoring co-sponsoring the following exhibits:

- SDS-1, consisting of schedules T-1 through T-7 covering the 2011 actual period for Turkey Point 6 & 7 Site Selection and Pre-Construction costs. Page 2 of SDS-1 contains a table of contents listing the T schedules sponsored and co-sponsored by FPL Witness Powers and by me, respectively.
- SDS-2, consisting of a table listing all licenses, permits and approvals FPL is preparing to support the Turkey Point 6 & 7 project.
- SDS-3, consisting of a comprehensive list of procedures and work instructions that govern the internal controls processes.
- SDS-4, providing a list describing various project reports, their periodicity and target audience.
- SDS-5, providing a comprehensive list of project instructions and forms.
- SDS-6, providing summary tables of the 2011 expenditures.

- SDS-7, providing a summary of Site Certification Application (SCA) schedule changes in 2011.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to describe the activities and costs incurred in relation to the Turkey Point 6 & 7 project throughout 2011. My testimony will describe the deliberate, stepwise process FPL continues to manage so that FPL will have the opportunity to add new nuclear generation capacity for its customers. Specifically, I will include a discussion of project internal controls and how those controls, supported by internal and external oversight, provide for diligent and professional project execution. I will also discuss key issues the project has faced in 2011 and how those issues were evaluated. Further, my testimony will discuss the actual expenditures made related to the project and compare those expenditures to the actual/estimated values provided in May 2011. Collectively, my testimony will provide the information necessary to demonstrate FPL's management decisions with respect to the Turkey Point 6 & 7 project are the product of properly qualified, well-informed FPL management following appropriate procedures and internal controls, and the costs for the project are reasonable and were prudently incurred.

Q. Please describe how your testimony is organized.

A. My testimony includes the following sections:

1. High Level Project Summary and Issues
2. Project Management Internal Controls
3. Procurement Processes and Controls

4. Internal/External Audits and Reviews

5. 2011 Project Activities and Results

6. 2011 Key Management Decisions

7. 2011 Preconstruction and Site Selection Costs

Q. Please summarize your testimony.

A. During 2011, the Turkey Point 6 & 7 project continued to make progress with licensing and permitting activities, and maintained costs well within the annual budget. FPL continued its disciplined pursuit of the approvals and authorizations necessary to create the opportunity to add the benefits of new nuclear generation for its customers. The project achieved key milestones in the SCA process by achieving completeness and moving on to the agency review stage. In the Nuclear Regulatory Commission (NRC) licensing process, significant progress was made responding to Requests for Additional Information (RAI) and updating the Combined Operating License Application (COLA) with Revision 3. This should allow the federal review to move forward in 2012. The project execution has maintained FPL's disciplined and steady approach while displaying a willingness to adapt project timelines to ensure an inclusive and complete review.

The project is being managed by a professional team of engineers, analysts, and managers to ensure process controls are maintained and activities comply with applicable corporate procedures and project-specific instructions. The project management process is being conducted in a well-informed,

transparent and organized manner enabling executive oversight and facilitating reviews by internal and external parties. The Turkey Point 6 & 7 project team has the skills, experience, and executive oversight to guide the project through critical decisions using the best available information. This disciplined application of good business process by well-qualified FPL managers and their staff resulted in prudent decisions with respect to project activities and expenditures.

HIGH LEVEL PROJECT SUMMARY & ISSUES

Q. Please summarize the Turkey Point 6 & 7 project in 2011.

A. The project made measurable progress in all regulatory processes towards obtaining all necessary licenses, permits, and approvals. The three key processes include the Combined Operating License (COL) process administered by the NRC, wetland permits under the jurisdiction of the US Army Corps of Engineers (USACOE), and the SCA process, coordinated by the Florida Department of Environmental Protection (FDEP). In general, 2011 was another year of information exchange with agencies to ensure all relevant and required information necessary for agency evaluations has been provided.

During 2011, FPL continued to respond to NRC questions through the RAI process. In late October 2011, the NRC revised the Turkey Point 6 & 7

COLA review schedule, providing their revised estimates of milestones. In summary, the NRC's review and production of the principal written studies of the COLA (the Final Safety Evaluation Report (SER) and the Final Environmental Impact Statement (FEIS)) will require more time, while the expectation of time needed for the hearings that follow has been reduced. The current Project Schedule (Rev 5A) targeted completion of the COL process by November 30, 2014. Based on the revised review schedule, the NRC estimates that the COL could be granted by June 2014. A project schedule review is underway to estimate the net impact to the overall project schedule and is expected to be complete in mid-2012. FPL's licensing team incorporated information from the Reference COLA process, and numerous RAI responses and changes into Revision 3 of the COLA, submitted in December 2011.

Additional information was also exchanged with the USACOE to support its reviews. Two studies addressing alternative site analysis and the western transmission line corridor selection process were produced and provided for review.

In the state Site Certification process, several key milestones were achieved. In the Transmission area, following a determination of completeness in December 2010, the project worked with individual agencies to review the application and develop agency reports. Reports have been received from all

agencies. The FDEP will now review all project information and develop its Project Analysis Report on FPL's proposed corridors. Two alternative corridors were submitted by interested parties and are going through the statutory review process. Additionally, the project team has maintained an ongoing interaction with Everglades National Park (ENP) staff providing information to support the federally authorized land exchange.

In the Plant and Non-Transmission areas of the SCA process, project staff responded to significant requests for information resulting in a finding in September 2011 that the application was complete. Following that determination, the project team coordinated with agencies and local governments as they began to develop plant agency reports, due in the first half of 2012.

The project also continued to respond to RAIs as the NRC Staff develops the NRC Environmental Impact Statement (EIS) and SER; two reports that will be the subject of NRC hearings in 2014.

Project staff continued to monitor industry milestones and events to identify potential impacts to the overall Turkey Point 6 & 7 project cost and schedule and provide indicators as to when Preparation phase activities are warranted. Review and approval of an amendment to the Design Certification (DC) for the Westinghouse Electric Company's (WEC) AP1000 reactor design, the

design that has been selected by FPL for reference in its COLA, was accomplished in 2011. This is a pre-requisite approval for the Turkey Point 6 & 7 project and was achieved on a timeline consistent with FPL's needs.

Q. What are the customer benefits that justify the continued pursuit of new nuclear generation?

A. The benefits to FPL customers offered by additional nuclear generation are numerous. The key benefits relate to FPL's core mission of providing reliable electric service at reasonable rates. The fuel required for nuclear generation is not dependent on natural gas pipelines, railroad or maritime distribution systems or subject to volatile energy markets. Therefore, nuclear generation greatly adds to the reliability of a system by increasing fuel diversity, fuel supply reliability and energy security. The stability of nuclear fuel markets provides a stable cost input reducing the impact to monthly customer bills that result from fuel price volatility. In addition, the location of 2,200 MW of baseload generation in the Miami-Dade County helps to maintain a balance of generation and load in Southeastern Florida. The feasibility analyses approved by the Commission in 2008, 2009, 2010, and 2011 demonstrate the robust cost-effective nature of nuclear generation when compared to other baseload generation alternatives. Finally, nuclear generation is recognized as an important component of meeting state and national energy goals in addressing greenhouse gas reduction. By employing an approach that maintains progress, even through dynamic and demanding times, FPL is

creating the opportunity to deliver those benefits on the most practicable schedule.

Q. Please expand on the value of FPL's approach to developing new nuclear generation.

A. Without the approvals, licenses, and permits needed to construct and operate a new nuclear facility, the opportunity and timeline for customers to benefit from this valuable generation source is remote and uncertain. By taking the steps to obtain the licenses and approvals, further defining the specific project, FPL is accomplishing several key objectives. First, the uncertainties around the approval process and the final definition of the project are significantly reduced. Second, the market for providing the equipment and services needed to construct the project is allowed to more fully mature, leveraging observations from first wave projects. Lastly, a shorter time span between the decision to initiate construction activities and the commercial operation dates will reduce uncertainties in the underlying feasibility analysis and provide the best decision basis available.

By applying this deliberate approach FPL is able to maximize progress and the collection of information necessary to make subsequent decisions in the process, while minimizing the current cost exposure of customers.

Q. What key events occurred in 2011 that impacted the national and international nuclear industry?

A. In March of 2011 the northeastern coast of Japan experienced an extreme earthquake event and subsequent tsunami. The tsunami came ashore in the vicinity of the Fukushima Dai-Ichi nuclear power facility. The tsunami created a complete and prolonged loss of electric power at the site and thus prevented the operator from adequately cooling the reactors and associated used fuel storage pools. Significant damage to the units occurred. Through the balance of 2011, U.S. and international nuclear agencies have begun the process of understanding what improvements to nuclear plant design, operations and emergency preparations can be made to avoid or minimize the impact of other beyond-design basis accidents.

During 2011, FPL closely monitored the public and regulatory responses to this event for potential impacts on the Turkey Point 6 & 7 project. Immediately following the event the NRC commissioned a review, resulting in recommendations currently being addressed by the NRC and the U.S. nuclear industry. No near term regulatory changes are indicated that will affect the pace of the AP1000 certification, the R-COLA certification, or the Turkey Point 6 & 7 COLA. In fact, the NRC rejected numerous requests to suspend its COLA review processes in light of the Fukushima accident, and has proceeded with the COLA review process expressing confidence that any necessary changes can be appropriately addressed as future Commission findings are made.

Q. What other national level issues are being monitored for the potential impact to cost and schedule of the Turkey Point 6 & 7 project?

A. Developments in 1) the economy, 2) energy policy (at national and regional levels), and 3) the progress of international and domestic projects have the potential to affect the project.

The downturn in the economy and its rate of recovery has the potential to impact facets of the project, including: access to and cost of financing, material and labor cost indices, and the development of national and international supply chains for new nuclear projects. The annual feasibility analyses address these issues in a disciplined and consistent manner each year. During 2011, a general improvement in the economy was observed and continued positive progress was demonstrated in supply chain development as two domestic new nuclear projects prepared to move into full scale construction activities in 2012 and 2013.

National energy policy continues to be supportive of nuclear energy in general, and new nuclear energy development specifically, even following the Japanese tsunami and subsequent Fukushima accident in March 2011.

Domestic and international nuclear construction projects using the AP1000 design have continued to make progress in 2011. In China, the Sanmen and Haiyang AP1000 projects are on schedule, projecting operation in 2013 and

2015, respectively. Observations from these projects include lessons regarding logistics and crane design and placement. Significant differences in labor and regulatory schemes limit the transferability of the full construction experience to U.S. projects. Georgia Power's Vogtle project in Georgia and the South Carolina Electric & Gas Summer project in South Carolina have continued to keep pace with their published schedules. FPL monitors information shared by the Westinghouse/Shaw consortium, publicly available reports, and industry groups and journals to stay up to date on these projects.

Q. What project specific issues were monitored in 2011 for the potential impact to cost and schedule of the Turkey Point 6 & 7 project?

A. Project specific issues include 1) FPL system and regional economic developments influencing the annual feasibility analysis, 2) the pace and outcome of permit and license application reviews, and 3) the development of commercial agreements supporting the Preparation and Construction phases of the project. The economic impact of these factors on the project feasibility is reviewed annually.

With respect to transmission line siting, during 2011 several municipalities provided agency reports providing comments and recommending conditions of certification along FPL's Eastern Preferred Corridor. Suggestions included a call for placing this segment of the transmission infrastructure improvements underground for aesthetic purposes, as opposed to the more standard overhead

alignment. FPL continues to work with the community and local governments to explore alternatives and means of addressing concerns.

PROJECT MANAGEMENT INTERNAL CONTROLS

Q. Please describe the project management structure responsible for the Turkey Point 6 & 7 project.

A. The management structure for Turkey Point 6 & 7 reflects the dual nature of the project relying on a working combination of two key groups: Project Development and New Nuclear Projects. The organization of the project into these two key groups helps maintain a consistent management and reporting structure with specific focus and areas of responsibility, while allowing the project the flexibility to grow and adapt over time. During 2011, the reporting structure for the Nuclear Project Development team was consolidated to be the same as that for the New Nuclear Project team. William Maher (Director of Licensing – New Nuclear Projects) and I now report to Robert McGrath, Sr. Vice President of Engineering, Construction and Corporate Services (ECCS).

Project Development, which I lead, has the primary responsibility for the execution of development and licensing activities not within the purview of the NRC, as well as all project communication activities and Florida Public Service Commission (FPSC) interface. Similar to the way other generation development projects are executed within FPL, Project Development utilizes

matrix relationships with key business units in the Company to provide essential support. For example, legal and environmental services are provided by those business units through assigned personnel.

Recognizing the need for specific nuclear-based skills and experience, FPL established the New Nuclear Project team within ECCS to manage the complex and specialized nature of the COLA process and the engineering, procurement and construction activities. This team is managed by Mr. Maher. The New Nuclear Project team has direct responsibility for the production and management of the COLA as well as the engineering, procurement, site preparation, construction, and start-up aspects of the project. The Project team will adjust staffing as the project evolves, ensuring access to the necessary skill sets are maintained to accomplish project objectives in the most cost-effective manner.

Q. Please describe the project management and staffing approach employed on the Turkey Point 6 & 7 project.

A. The project is staffed by a combination of employees fully dedicated to the project, employees from FPL business units who devote a portion of their time to the project, and a select group of contractors and subcontractors whose subject matter expertise and skills are required to complete the considerable tasks related to this undertaking. Leading the staff is a project management team charged with monitoring the day-to-day execution and strategic direction of the project. The project management team provides routine, dedicated

oversight of the project including a determination of the timing and content of external reviews. The project management team is supported by project controls professionals that execute the day-to-day project activities and provide direct oversight of procedural compliance. The project also benefits from routine review, supervision, and direction provided by FPL executive management.

Q. What are the key elements of the project management process used to manage the Turkey Point 6 & 7 project?

A. FPL routinely and methodically evaluates the risks, costs, and issues associated with the Turkey Point 6 & 7 project using a system of internal controls, routine project meetings and communication tools, management reports and reviews, internal and external audits, and an annual feasibility analysis.

Q. Please describe the system of internal controls applicable to the project.

A. The project internal controls are comprised of various financial systems, department procedures, work/desktop instructions and best practices providing governance and oversight of project cost and schedule processes.

FPL converted to SAP software for its financial recording system in 2011. The Electronic Approval Database (EAD) system used by ECCS up to the time of this conversion was consolidated into SAP. SAP now is the sole system to initiate and record the management approval process for the commitment of project funds.

Exhibit SDS-3 provides a list of procedures and work instructions that govern the internal controls processes and expectations. These procedures and work instructions are employed by dedicated and experienced project controls personnel who functionally report through ECCS Project Controls and provide project oversight and analysis. The Project Controls organization helps to ensure appropriate management decisions are made based upon assessment of available information leading to reasonable costs. Accountability is clear and understood throughout the controls organization and is a cornerstone of the services they provide.

Q. Please describe the specific reports generated to monitor the project and the periodicity and audience for those reports.

A. The project relies on a series of weekly or monthly reports and has standing meetings to review forward looking analysis with project managers. Exhibit SDS-4 provides a list describing the reports, and their periodicity and target audience.

Q. Please describe the staff responsible for administering these internal controls and their specific responsibilities.

A. The internal controls staffing for the project is comprised of four personnel. A Project Controls Director provides functional leadership, governance, and oversight. A Project Controls manager provides cost and schedule direction and analysis, coordinates internal and external audit requests, holds meetings with project management to review cost and schedule performance, and reviews all cost, scope changes, schedules and performance indicators. A

Project Controls Analyst participates in meetings with project management to review cost and schedule performance, provides information regarding cost, scope changes, schedules and performance indicators, maintains cost templates, supports the production of documents and responses to information requests, and meets monthly or as required with department heads on forecasting and commitments. A Construction Capital Cost Estimator manages the master schedule and maintains the master project estimate template.

Q. How were the internal controls developed?

A. Many of the internal controls procedures, processes or work instructions were pre-existing FPL company or department processes. However, due to the unique characteristics of the Turkey Point 6 & 7 project, cost templates were specifically developed for monitoring expenditures to support FPSC filing requirements and to facilitate associated reviews. FPL has contractually placed significant reporting requirements on contractors by requiring trend, tracking and performance indicators. This allows the internal controls team to monitor events and trends on a forward-looking basis. As the project evolves, additional controls will be developed as necessary.

Q. What are Project Instructions and why are they needed?

A. In the course of project development, FPL identified a need to develop some business processes unique to new nuclear deployment. These processes generally involve conducting business in compliance with FPL General Operating procedures, but also recognize project-specific requirements. For

example, specific instructions are needed to ensure compliance with additional NRC requirements for quality control and document retention. Direction for such specific areas of focus is provided to project staff through a set of FPL's New Nuclear Project - Project Instructions (NNP–PI). These project instructions establish a standard for the project team which provides guidance, sets expectations and drives consistency. Exhibit SDS-5 provides FPL's comprehensive list of project instructions and forms.

Q. What processes are used to manage project risk?

Cost and schedule risk is managed by ensuring the project team recognizes and understands the issues facing different sub-teams that comprise the overall project. A mix of weekly meetings with small teams, monthly meetings with select members of the project team, and routine executive briefings ensure the project benefits from sufficient and timely communication. Further, the information flow begins at the working level and is integrated as it moves to the project management team to ensure the issues are adequately captured and the interaction with other portions of the project is properly assessed. These meetings result in several reports identified in Exhibit SDS-4. These routine meetings allow project management to obtain updates from key project team members, provide direction on the conduct of the project activities and maintain tight control over project progress, expenditures, and key decisions.

Each week the project team holds multiple status meetings. These meetings, held by teams within the project, track project activities at a level that allows

most issues to be identified, discussed, and resolved at the working team level. Examples include the COLA team, SCA team consisting of plant and transmission sub-teams, among others. For those issues that cannot be resolved at the working team level, project management has provided a multi-step process to elevate the issue to the appropriate level for resolution. Contractor performance is also tracked on a weekly basis. Schedule and cost metrics are monitored and reported in standard format reports to allow close monitoring of contractor performance.

The project team meets monthly to review project schedule, budget performance, and key project issues. Project risk is specifically tracked and reviewed. The monthly Cost Report meeting provides an opportunity to drill down on project cost issues and expectations. Project management also provides a routine update to FPL executive management. Normally once per month, this update provides the opportunity for robust dialogue between the project management team, Business Unit leaders and executive management. While the executive team is always available for consultation on developing issues and opportunities, the routine meetings ensure a broad range of topics are regularly reviewed and discussed.

The project utilizes a quarterly risk assessment tool to identify, characterize and track project risks. Six areas are assessed to identify key issues, estimate probability or likelihood of occurrence (high, medium, and low), and the

magnitude of potential consequences (high, medium, and low). Further, mitigation actions or strategies to be employed to manage the risk are described. In 2011 a monthly project dashboard report was created to complement the Quarterly Risk Analysis. This document allows for monthly trending of project risk areas unique to the Turkey Point 6 & 7 project.

Q. What other periodic reviews are conducted to ensure the project is appropriately reviewed and analyzed?

A. Internal and external audits occur during the course of the project to ensure the project adheres to all corporate guidelines for financial accounting as well as employing best management and internal controls practices. When a deficiency is identified in an audit, an analysis is conducted to determine the cause of the deficiency and corrective actions are implemented to ensure the deficiencies are mitigated going forward.

The project is reviewed annually to determine its continued economic feasibility. This analysis is conducted in the same framework as the analysis accepted during the Need Determination proceeding, but is updated to reflect what is currently known regarding project cost, project schedule, and the cost and viability of alternative generation technologies. The analyses presented in the May 2008, May 2009, May 2010 and May 2011 Nuclear Cost Recovery (NCR) filings demonstrate the project remains feasible. An updated feasibility study will be filed on May 1, 2012.

Q. What other activities has FPL undertaken to ensure its decision processes are informed by the most current national and international industry information?

A. FPL is an industry leader in nuclear generation, and as such, has the experience, contacts, and industry presence to engage in many forums for exploration of nuclear industry issues. Nonetheless, the specific challenges of new nuclear deployment have created focus areas requiring additional coordination between entities involved in new plant licensing, construction, and operation. FPL participates in four key industry groups providing value to the Turkey Point 6 & 7 project. For several years, the NuStart Consortium has provided FPL access to the reference COLA (Southern Nuclear's Vogtle Plant) and associated information developed by other AP1000 applicants necessary to maintain the Turkey Point 6 & 7 COLA. NuStart is also responsible for supporting the design finalization of the AP1000 technology. This involvement was essential in supporting the federal licensing process, which has resulted in the successful NRC authorization of the issuance of a COL for the Vogtle 3 and 4 project. In addition, the Design Centered Working Group was formed to provide coordination among owners, vendors, and the NRC related to design modifications of the AP1000. This critical activity is necessary to ensure design changes for the AP1000 are made through a consensus process with the involvement of the NRC to preserve standardization of design, a cornerstone of new nuclear development. FPL also is a member of APOG (a consortium of owners of the AP1000 design)

and of the Advanced Nuclear Technology group organized by the Electric Power Research Institute (EPRI). These groups are primarily forums to identify and resolve issues that are of primary interest to owners, such as staffing, training and maintenance activities. For example, programs such as Procurement Specification Development, Equipment and Nuclear Fuel Reliability improvements, Advancing Welding Practices, and Modular Equipment Testing and Benchmarking allow FPL increased efficiency in program development and implementation resulting in future cost savings. The principle of standardization through operations and maintenance requires this level of industry coordination and dialogue. These different groups have unique and important roles in the successful execution of new nuclear deployment in the United States. Achieving the goal of industry standardization and realizing the associated economic and operational efficiencies requires active participation by industry participants in these venues.

Q. What steps are taken to ensure project expenditures are properly authorized?

A. For Initial Commitments, an approved request directs ISC to formally contract with the selected supplier. Initial Commitments require appropriate authorizations including all documentation required by Corporate Procedures. This includes contracts, purchase orders, notice to proceed, and, if required, a single or sole source justification. For Contract Change Orders (CCOs), the request must be authorized at the appropriate level and the CCOs executed

prior to releasing the supplier to perform the requested scope of work. Tracking systems and processes are used to document and record procurement activities and to obtain the appropriate level of management authorization for expenditures.

Q. How would you summarize FPL's overall approach to project management in relation to Turkey Point 6 & 7?

A. FPL has robust project planning, management, and execution processes in place to manage the Turkey Point 6 & 7 project. These efforts are led by personnel with significant experience in project management and development supported by project management professionals trained in the deliberate execution of critical infrastructure projects through a comprehensive set of internal controls. Additionally, FPL is able to capitalize on the experience of its other power generation development projects by implementing lessons learned by those project teams. Finally, FPL implements an ongoing internal auditing and quality assurance process to continuously monitor compliance with the controls discussed above. In summary, FPL has the right people with the right tools and oversight making decisions with the best available information. For all of these reasons, FPL is confident that its Turkey Point 6 & 7 management decisions are well-founded and reasonable. Further, FPL recognizes the unique nature of new nuclear deployment demanding a continuous watch be maintained to monitor developments in policy, regulatory and economic arenas. An ongoing analysis and incorporation of these events is necessary to ensure the appropriate actions are taken at the

right time to create the option for new nuclear generation. The application of sound project management fundamentals and critical questioning provides the best results.

PROCUREMENT PROCESSES AND CONTROLS

Q. What is FPL's preferred method of procurement and when might it be in the best interest of the project to use another method?

A. The preferred approach for the procurement of materials or services is to use competitive bidding. FPL maintains a strong market presence allowing it to leverage corporate-wide procurement activities to the specific benefit of individual project procurement activities. Maintaining a relationship with a range of service providers offers the opportunity to assess capabilities, respond to changing resource loads and remain knowledgeable of current market trends and cost of service.

However, in certain situations the use of single or sole source procurement is in the best interest of the company and its customers. In some cases there is a limited pool of qualified entities to perform specific services or provide certain goods and materials. In other cases a service provider is engaged to conduct a specific scope of work based on a competitive bid or other analysis and additional scope is identified that the vendor can efficiently provide. Circumstances such as the above examples are common in the nuclear

industry, and especially on complex long-term projects such as the Turkey Point 6 & 7 project.

Q. Do you anticipate the use of single or sole source procurement practices will change over the course of the project?

A. Yes. As the project moves through various phases, the proportion of single source procurement will shift based on the nature of the major expenditures associated with each phase. During the licensing phase, the majority of the costs are expended on the federal licensing activities, which have been or will be competitively bid. In contrast, the next phase of the project will involve proprietary engineering and procurement activity that FPL must contract from the equipment provider, a sole source of these goods and services. Then, as the project moves to construction, FPL is taking steps to develop credible providers who can competitively bid specific scopes of the construction work. Developing a set of credible competitors, especially for the very large and complex construction phase, requires a concerted effort, but is expected to result in reduced costs regardless of which vendor is selected.

Q. Please describe the single and sole source procurement procedures that apply to the Turkey Point 6 & 7 project.

A. General Operations (GO) Procedure 705.3 requires proper documentation and senior-level approval of single or sole source procurement. The procedure calls for a review of the business interests associated with recommending a single or sole source procurement contract and a validation that the costs are

reasonable. Throughout 2011, FPL maintained its vigilance in creating adequate single or sole source documentation consistent with GO 705.3.

Q. What is a Pre-Determined Source (PDS) and how has FPL used this type of source to ensure procurement decisions are prudent and costs are reasonable?

A. A PDS is a source that has demonstrated through a competitive evaluation and/or other documented economic analysis to be the preferred source for particular goods or services. A PDS is designated by the FPL ISC in accordance with the Predetermined Sources section of the FPL Procurement Process Manual. The New Nuclear Project sourcing team determined PDS designations would be appropriate for certain project sources, primarily to streamline the process being used for CCOs. Previously, all CCOs were handled as single or sole source justifications, even if the underlying initial commitment was competitively bid. Such procurement management is a standard trade practice used to increase procurement efficiency.

For additional work beyond authorized limits, the full FPL requisition and procurement process requirements must be met in order to increase the limits as required by additional work scope being authorized. Other work awarded to the same supplier for different scopes of work are still subject to the full FPL procurement process requirements.

In 2011, FPL had six vendors under PDS status for the New Nuclear Project. Bechtel, Westinghouse, Black & Veatch/Zachry (BVZ), Environmental and Consulting Technology, Inc. (ECT), Golder Associates, Inc., and McNabb Hydrogeologic Consulting, Inc. provide specific scope services to the project. Because of their specific expertise and the evolving nature of the services provided, these vendors remain good candidates for PDS selection.

INTERNAL/EXTERNAL AUDITS AND REVIEWS

Q. What internal audits or reviews have been conducted to ensure the project controls are adequate and costs are reasonable?

A. Several audits have been conducted to ensure FPL's standards for project internal controls and cost reasonableness have been demonstrated. Annual FPL internal audits focus on the project financials and related controls.

The 2010 internal audit (conducted in early 2011) focused on whether costs charged to the project are actually for Turkey Point 6&7 related activities and are recorded in accordance with Rule 25-6.0423. Independent testing of expenses ($24.7M) charged to the project for the period January 1, 2010 to December 31, 2010 was conducted. The results of this audit revealed that the costs charged in accordance with the Nuclear Cost Recovery Rule are appropriate and controls over the project are good. A similar audit will

commence in early 2012 to review the project for the period January 1, 2011 to December 31, 2011.

Q. What external audits or reviews have been conducted to ensure the project controls are adequate and costs are reasonable?

A. Concentric Energy Advisors (Concentric) has been engaged to conduct a review of the project internal controls, with a focus on management processes as was conducted in 2008, 2009 and 2010. FPL has addressed all of Concentric's recommendations from prior year reviews. Concentric's 2011 review is discussed by Witness Reed.

The FPSC Staff conducts a financial audit of the project ledger and accounts and an internal controls audit annually. The 2011 audits are currently underway.

2011 PROJECT ACTIVITIES AND RESULTS

Q. What were the major activities for the Turkey Point 6 & 7 project during 2011?

A. The major activities centered around supporting the additional information requested by regulatory agencies related to the federal and state applications and activities supporting installation of the Underground Injection Control (UIC) exploratory well at the project site.

Q. What were the specific activities and results associated with federal licensing processes for the Turkey Point 6 & 7 project in 2011?

A. Early in 2011 the NRC reviewed 28 proposed contentions and determined that three contentions should be allowed into the COLA process. The three contentions were related to whether the application appropriately addresses the safety and environmental impacts of the storage of low level radioactive waste and certain constituents from municipal wastewater in the project discharge stream. In its Revision 3 to the COLA, FPL addressed these items and has subsequently filed motions requesting the NRC's Atomic Safety and Licensing Board to dismiss these contentions.

Throughout 2011 the project responded to a steady series of RAIs from the NRC. As of December 31, 2011 FPL had responded to 474 specific RAIs, resulting in an additional 2,619 pages of application material.

The NRC conducted a review of the Turkey Point 6 & 7 COLA milestone schedule during 2011. The review experienced some delays as a result of NRC resource constraints and demands caused by three external events: the federal budgeting process, the initial assessment of the Fukushima Dai-Ichi nuclear incident in March, and the earthquake near the North Anna Nuclear Plant in Virginia. The results of the review, published in October 27, 2011, added 11 months to the FSER completion date and 16 months to the FEIS completion date. The NRC also took the additional step of providing June

2014 as a target date for completion of the COL process, some five months earlier than FPL's current project schedule (Rev 5A). The Rev 5A schedule included additional time for review and a longer period for the hearing process. However, because interim dates for FSER and FEIS were moved, a re-evaluation of affected downstream milestones has been initiated and will be provided in FPL's May 1, 2012 filing along with the updated feasibility analysis.

The USACOE continued its review of the project as a cooperating agency with the NRC. In support of the USACOE review, specific additional information is required to evaluate the Alternative Sites and address focus areas through RAIs. One such area relates to the process applied and alternatives FPL considered when selecting its western Preferred Corridor. FPL maintained a continuous dialogue with the USACOE to provide this information.

Q. What were the specific activities and results associated with state Site Certification and permitting of the Turkey Point 6 & 7 project in 2011?

A. The state Site Certification process is generally managed in two tracks; transmission and plant focus areas.

During 2011 the transmission track moved forward in several areas. Agency reviews were conducted on FPL's Preferred corridors leading to agency reports being submitted to the FDEP. Two alternative corridors were

submitted and are now being reviewed for completeness and acceptance into the review process. Once accepted, agencies will have the opportunity to provide agency reports on these proposed alternative corridors.

The significant exchange of information on the Plant track of the SCA concluded in October as the FDEP determined that the plant portion was complete. Agencies have now begun the review process with the goal of providing agency reports in March 2012. In total, approximately 2,200 completeness responses were provided, totaling an additional 42,753 pages of application material.

Within the SCA process the local government authority provides a determination regarding the consistency of the site with zoning and land use policies. Statutorily, the Land Use determination is scheduled to occur early in the review process. Miami-Dade County, FDEP, and FPL agreed to allow the deadline for the Land Use determination to follow the completeness determination. During the course of the review process it became clear that FPL and Miami-Dade County held different views on the scope of the land use determination. FPL and FDEP filed a joint motion requesting the SCA Administrative Law Judge (ALJ) to define the scope of the Land Use determination in December. The ALJ denied the motion indicating it was premature. FPL will prepare for a broad scope Land Use hearing, but will

continue to work directly with Miami-Dade County to resolve outstanding issues.

Q. Please describe the results of the 2011 annual feasibility analysis presented in the NCRC docket.

A. A complete feasibility analysis was conducted to review the economics of the project given updated assumptions for system demand, alternative fuel forecasts and revised alternative generation costs. The analysis is a two-step process, consistent with the original analysis leading to the 2008 Need Order. The first step takes the form of developing a system analysis based "break-even" cost to determine what the nuclear project could cost and remain economically competitive with alternative baseload generation sources. That "break-even" cost is compared to the high end of the project cost estimate range. The results of the analysis confirmed that the estimated project costs are below the "break-even" costs in 6 of 7 fuel and environmental cost scenarios and at the high end of the range in the remaining scenario. These results continue to demonstrate that the new nuclear project remains the best economic alternative for FPL's customers. An updated feasibility analysis will be submitted May 1, 2012.

Q. Please describe the specific activities and results associated with installing the UIC exploratory well for the Turkey Point 6 & 7 project in 2011.

A. The UIC program is a federally delegated program administered in Florida by the FDEP resulting in permits to inject non-hazardous waste water into a confined aquifer approximately 3,000 feet below the surface. The process

requires an exploratory well that demonstrates the necessary geological requirements. Following initial reviews, the FDEP authorized FPL to move forward with the exploratory well. The construction crews mobilized in mid-2011 and began drilling the well. Steady progress was made through 2011.

Q. Please describe any activities associated with commercial or development agreements supporting the Turkey Point 6 & 7 project in 2011.

A. During 2011, the Forging Reservation Agreement was the focus of continued negotiation between FPL and WEC. The original agreement was based on the original project schedule. The agreement was revisited following the 2010 project schedule revision, moving unit COD's to 2022 and 2023. FPL has re-engaged with WEC to determine what options were available and how value could be maintained. While progress was made, a new agreement was not developed. The term of the current agreement has been extended to March 31, 2012.

In support of its western Preferred Corridor, FPL has been engaged in negotiations with multiple state and federal agencies to exchange its current owned transmission line corridor in the eastern Everglades for a combination of easements and property that would provide a continuous transmission right-of-way between north and south Miami-Dade County that would not be in ENP. Collectively, these efforts are referred to as the ENP land exchange. These negotiations are captured in participation agreements, authorized by federal legislation and are undergoing final environmental review by the

National Park Service (NPS). In 2011, NPS began developing an EIS to review the impact of the proposed land exchange. In June 2011 NPS held a public scoping meeting and took comments from interested parties. FPL has been responsive to NPS staff data requests and will continue to support preparation of the EIS. The Draft EIS is expected to be available in 2012 with the Final EIS and Record of Decision available in 2013.

2011 KEY MANAGEMENT DECISIONS

Q. What were the key matters addressed by FPL project management in 2011?

A. Decisions were primarily related to managing the regulatory review process. In response to RAIs, decisions were required to ensure that the depth of analysis provided met the regulatory requirement and provided a complete response. In the state process several scheduling decisions were made to accommodate resource and timing concerns expressed by various parties to maximize the level of participation. As a part of its overall project management, FPL once again considered the appropriateness and timing associated with initiating the next phase of project activities; namely those related to engineering design, procurement of long lead equipment, and initiation of preliminary construction activities.

Q. Please provide examples of decisions related to the content of response to requests for additional information.

A. The range of possible responses can vary from simple clarifications of previously provided information to new detailed engineering models and studies. When requests are received, the technical team assesses each request to determine if the information requested has been provided in some form, or in another regulatory process. Clarifications are obtained from the requesting agency, when appropriate to aid in the assessment. Once assessed, a plan of action and milestones are developed and scheduled to meet the response time requirements. In 2010 it was determined that the best way to address a host of questions regarding groundwater issues was to revise the project groundwater model with input from multiple agencies and reissue the results. This was completed in early 2011 and assisted in obtaining completeness in the SCA process in September 2011.

Q. What were the scheduling decisions made in 2011 related to the SCA schedule?

A. Exhibit SDS-7 provides a summary of changes made to the SCA schedule during 2011. Some of these changes were requested by FPL while some were requested by other parties. Because the SCA process is not currently on the critical path for the overall project, accommodations can be made without impacting the overall project schedule.

Q. Please describe the key decisions related to the appropriateness of initiating certain pre-construction activities and the implications of those decisions.

A. In early 2011, FPL prepared its projections for expenditures in 2012. According to the current project schedule (Rev. 5A) certain pre-construction activities were due to be initiated in 2012. These activities support early stage contracting and design work that precedes actual construction activities onsite. The decision in early 2011 was to defer these activities into 2013 given the perceived pace of the regulatory reviews. Based on the NRC schedule revision of October 2011, it became clear the USACOE wetland permits would be granted no earlier than February 2014. None of the onsite construction activities related to these preconstruction activities can be conducted prior to receipt of both the Site Certification and the USACOE wetland permits.

Deferral of these preconstruction activities does not necessarily result in a downstream impact to the project's ultimate completion dates. Opportunities to accomplish tasks in parallel, or apply lessons learned at preceding construction projects will be reviewed as a part of the project schedule review underway in early 2012.

2011 PRECONSTRUCTION AND SITE SELECTION COSTS

Q. Describe the preconstruction costs incurred for the Turkey Point 6 & 7 project in 2011.

A. As represented in Exhibit SDS-6 and Exhibit SDS-1, Schedule T-6, FPL incurred a total of $23,150,978 in pre-construction costs. This is $14,804,558 less than the May 2, 2011 Actual/Estimated costs of $37,955,536. The costs are broken down into the following categories: 1) Licensing $19,339,343; 2) Permitting $679,397; 3) Engineering and Design $3,132,238; 4) Long Lead Procurement advanced payments $0; and 5) Power Block Engineering and Procurement $0.

Q. Please describe the costs incurred in the Licensing subcategory.

A. In 2011, Licensing costs were $19,339,343 as shown in Exhibit SDS-6 Table 2 and Exhibit SDS-1, Schedule T-6, Line 3. Licensing costs consist primarily of FPL employee, contractor labor, and specialty consulting services necessary to develop the COLA required for construction and operation of the Turkey Point 6 & 7 project and the state SCA providing state certification of the project.

The largest portion of these expenditures, $8,943,896, was a result of costs incurred supporting the COLA process. This value is a combination of COLA Team Costs and Bechtel COLA contract payments. The permit and license applications contain project specific information, assessments and studies required by the NRC, FDEP, and other federal, state, and local entities to support the reviews leading to decisions on the technical, environmental and social acceptability of the project. Some activities are common between applications, and therefore offer opportunities to coordinate efforts and

manage costs. However, each application analyzes each issue from a unique perspective and may require differing levels of detail.

Q. Please explain the reasons behind the variances between the actual Licensing costs and the costs projected in the 2011 Nuclear Cost Recovery filing in Docket No. 110009-EI.

A. The primary reason for the positive variance is related to the fact that NRC and NuStart fees were significantly less than anticipated. The NRC did not progress at the originally expected pace, and therefore FPL incurred fewer costs than estimated. NuStart achieved its objectives and will be dissolved in June, 2012. Originally estimated NuStart fees for 2011 were not required. Higher than expected costs were incurred in support of the Safety Analysis review, which were largely offset by the lower than expected costs of supporting the NRC's environmental review of the COLA.

Q. Please describe the costs incurred in the Permitting subcategory.

A. In 2011, Permitting costs were $679,397 as shown in Exhibit SDS-6 Table 3 and Exhibit SDS-1, Schedule T-6, Line 4. Permitting costs consist primarily of FPL employees, communications, and legal services necessary to support the various license and permit applications required by the Turkey Point 6 & 7 project. Exhibit SDS-6, Table 3 provides a detailed breakdown of the Permitting subcategory costs in 2011, including a description of items included within each category.

Q. Please explain any variance between the actual Permitting costs and the costs provided in the 2011 Nuclear Cost Recovery filing.

A. The project spent $1,737,480 below plan in 2011 in the Permitting subcategory, due to reduced staffing requirements and communications support related to the revised schedule.

Q. Please describe the costs incurred in the Engineering and Design subcategory.

A. In 2011, Engineering and Design costs were $3,132,238 as shown in Exhibit SDS-6 Table 4 and Exhibit SDS-1, Schedule T-6, Line 5. Engineering and Design costs consist primarily of FPL employee services and/or engineering consulting services necessary to develop the construction execution plan for the Turkey Point 6 & 7 project. Exhibit SDS-6 Table 4 provides a detailed breakdown of the Engineering and Design subcategory costs in 2011, including a description of items included within each category.

In 2011, the majority of costs in the Engineering and Design subcategory were related to the installation of the Underground Injection Control (UIC) exploratory well. Costs associated with EPRI's Advanced Nuclear Technology working group and membership in the APOG industry group are also included in the Engineering and Design category.

Q. Please explain any variance between the actual Engineering and Design costs and the costs provided in the 2011 Nuclear Cost Recovery filing.

A. Overall, the project incurred costs were $3,616,435 below plan in 2011 in the Engineering and Design subcategory. The variance was created by a decision

to hold the start of the UIC exploratory well while various regulatory agencies were consulted.

Q. Please describe the costs incurred in the Long Lead Procurement subcategory.

A. In 2011 there were no Long Lead Procurement costs.

Q. Please describe the costs incurred in the Power Block Engineering and Procurement subcategory.

A. In 2011, Power Block Engineering and Procurement costs were $0 as shown in Exhibit SDS-6 Table 5 and Exhibit SDS-1, Schedule T-6, Line 7.

Q. Was there a variance between the actual Long Lead Procurement or Power Block Engineering and Procurement costs and the costs provided in the 2011 Nuclear Cost Recovery filing?

A. No.

Q. Were any costs expended in the Transmission category prior to or during 2011?

A. No.

Q. Please describe the Site Selection costs incurred in 2011.

A. FPL's Site Selection work completed in October 2007 with the filing of the Need Petition. The cost of $171,052 in this category relates to carrying charges. FPL Witness Powers supports the calculation of carrying charges.

Q. Were the 2011 project activities prudent and were the related costs reasonable?

A. Yes. All costs were incurred as a result of the deliberately managed process at the direction of a well-informed, properly qualified management team. The costs were incurred in the process of conducting the necessary pre-construction activities such as obtaining the necessary licenses and permits for the Turkey Point 6 & 7 project. All costs were reviewed and approved under the direction of the Turkey Point 6 & 7 management team and were made fully subject to project internal controls. Costs were processed using FPL standard procurement procedures and authorization processes, are reasonable and were prudently incurred.

Q. Does this conclude your testimony?

A. Yes.

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SDS – 1 is in the Nuclear Filing Requirements Book

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FEDERAL AUTHORIZATIONS

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered
NRC	10 CFR Part 30	By-Product License	Possession of fuel
NRC	10 CFR Part 40	Source Material License	Possession of source material
NRC	10 CFR Part 50	Licensing of nuclear power plant	Approval for construction of nuclear power plant
NRC	10 CFR Part 51, 10 CFR Part 52	NRC approval of an Environmental Report	Evaluation of environmental impacts from construction and operation of a nuclear power plant
NRC	10 CFR Part 52	COL	Safety review of the nuclear power plant site
NRC	10 CFR Part 61	Licensing requirements for land disposal of radioactive wastes	Land disposal of radioactive waste that contains byproduct source and Special Nuclear Material (SNM)
NRC	10 CFR Part 70	Special Nuclear Material License	Possession of SNM
NRC	10 CFR Part 71	Packaging and transportation of radioactive material	Packaging and transportation of licensed radioactive material
DOE	Nuclear Waste Policy Act (42 U.S.C 10101 et seq.) and 10 CFR Part 961	Spent Fuel Contract	Disposal of spent nuclear fuel
USACE	Clean Water Act of 1976 /33 U.S.C section 1344	Section 404 Permit	Discharge of dredge and fill materials into waters of the United States
USACE	Rivers and Harbors Act of 1899/ 33 U.S.C. section 401 et. seq.	Section 10 - Rivers and Harbors Act Permit	Excavation or filling within navigable waters of the United States
USACE	Secretary of the Army	Modified water deliveries to Everglades National Park	Use of Government owned lands for the purpose of onsite investigations in support of a Phase 1 ESA, Wetland delineation, preparation of legal description and soil borings
Federal Aviation Agency	14 C.F.R. Part 77 - Safe, Efficient Use, and Preservation of Navigable Airspace	FAA Obstruction Permit for Unit 6 Containment Building	FAA Obstruction Permit for Unit 6 Containment Building

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered
Federal Aviation Agency	14 C.F.R. Part 77 - Safe, Efficient Use, and Preservation of Navigable Airspace	FAA Obstruction Permit for Unit 7 Containment Building	FAA Obstruction Permit for Unit 7 Containment Building
Department of the Interior	RE-DO-53	Temporary Construction Easement	Provide access to delineate wetland boundaries within the proposed utility line ROW relocation in Everglades National Park
Department of the Interior	RE-DO-53	Temporary Construction Easement	Provide access to conduct visual and pedestrian surveys for Phase I environmental assessment within the proposed utility line ROW relocation in Everglades National Park
USFWS	16 U.S.C 1539(a)(1)(A); 50 CFR Parts 13, 17	Endangered species permitto take American crocodile during monitoring	Provides authorization to take (capture, examine, weigh, sex, collect tissue samples, mark, radio-tag, radio-track, relocate, release) endangered American crocodile individuals during population monitoring.
USFWS	16 U.S.C 703-712	Special purpose salvage permit, migratory birds	Provides authorization to: salvage dead migratory birds, abandoned nests, and addled eggs after nesting season; dead bald or golden eagles; and possess live migratory birds for transport to permitted rehabilitator
USFWS	16 U.S.C. 703-7121 50 CFR Part 13:50 CFR 21.41	Federal Fish and Wildlife Permit	Emergency relocation of active migratory bird nests when birds, nests, or eggs pose a direct threat to human health and safety or when the safety of the bird is at risk if the nest and/or birds are not removed

STATE OF FLORIDA AUTHORIZATIONS

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered
FDEP, Siting Board	F.S. § 403.501-.518, F.S	Power Plant Site Certification*	Construction and operation of a power plant with more than 75 MW of steam generated power and associated facilities
FDEP, USEPA Region IV review	F.A.C. 62-621	NPDES Storm water Operations Permit for Industrial Activities	Operation of an industrial facility
FDEP	Chapter 403 F.S.	Exploratory Well Construction Permit	Allows for the construction of the exploratory well and dual-zone monitor well
FDEP	Chapter 403 F.S.	UIC Well Construction Permit	Allows for the conversion of the exploratory well to an injection well and perform operational testing for up to 2 years
FDEP	Chapter 403 F.S.	Class I Well Operation Permit	Allows for the operation of the injection wells. This permit must be renewed every 5 years
FDEP, USEPA Region IV review	F.A.C. 62-621	Prevention of Significant Deterioration Construction Permit	Construction and operation of facilities that generate air emissions
FDEP, USEPA Region IV review	403.0885 F.S.	Modification of Industrial Wastewater Treatment Facility (IWW) permit	Construction of Units 6 & 7 within the industrial wastewater facility
FDEP/USEPA	F.A.C. 62-25, 62-40	NPDES Construction Storm water Permit	Construction of any facility that disturbs 1 acre or more
Florida Fish and Wildlife Conservation Commission	F.A.C. 68A-9.002; 68A-25.002; 68A-27.003	Special purpose live-capture permit	Provides authorization for live-capture, insertion of data loggers in nests, and collection of samples, on FPL properties of American crocodiles for mark/recapture and scientific data collection; also provides for live-capture, relocation, and release of American alligators and Eastern indigo snakes and other endangered or threatened species or species of special concern

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered
FDEP	403.087, F.S. and F.A.C. 62-4, 62-520, 62-522, 62-528 62-550, 62-600, 62-601	Operation of Class V, Group 3 domestic wastewater injection (gravity flow) well	Operation of IW-1
FDEP	403, F.S. and F.A.C. 62-600, 62-601, 62-602, 62-620, 62-640, 62-699	Operation of domestic wastewater treatment facility (WWTF)	Operation of Turkey Point Power Plant WWTF
FDEP	F.A.C. 62-213	Title V Operations Permit	Operations of facilities that generate air emissions
FEDP, South Florida Water Management District	F.A.C. 40B-3	Well Construction Permit	Construct, repair, modify, or abandon a well
South Florida Water Management District	F.A.C. 40E-3	Well Abandonment Permit	Well abandonment permits
State of Florida	F.A.C. 40E-3	Well Abandonment Permit	Application to construct, repair, modify, or abandon well
FWCC	F.A.C. 68A-9.002, 68A-9.025, 68A-27	Carcass Salvage Permit	Salvage, mount, and display wildlife carcasses upon encounter for educational or scientific purposes
FWCC	F.A.C. 68A-9.002, 68A- 27.005	Removal of nests and ospreys	Removal and replacement of inactive nests of ospreys and other migratory birds

*Pursuant to the Florida Electrical Power Plant Siting Act (PPSA) all state, regional and local permits, except for certain local land use and zoning approvals and certain state issued licenses required under federally delegated or approved permit programs, are covered under a single "Certification". Because the Certification is the sole license of the state and any agency required for construction and operation of the proposed electrical power plant, it is not necessary to apply for permits individually.

FOREIGN STATE AUTHORIZATIONS

Jurisdictional Agency	**Authority, Law, or Regulation**	**Description of Requirement**	**Activity Covered**
Utah Department of Environmental Quality Division of Radiation Control	R313-26 of the Utah Radiation Control Rules	Revision of existing General Site Access Permit	Transport of radioactive materials into the State of Utah
Tennessee Department of Environment and Conservation Division of Radiological Health	TDEC Rule 1200-2-10.32	Revision of existing Tennessee Radioactive Waste License-for-Delivery	Transport of radioactive waste into the State of Tennessee

LOCAL AUTHORIZATIONS

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered
Miami-Dade County	Chapter 163 F.S.; Miami-Dade County Comprehensive Plan and adopted regulations	Land use and zoning conditional approval (unusual use approval)	Unusual Use (zoning approval) to permit a nuclear power plant (atomic reactors) and ancillary structures and equipment
Miami-Dade County	Chapter 163 F.S.; Miami-Dade County Comprehensive Plan (CDMP) and adopted regulations	CDMP text amendment	Excavation for fill source. Application was withdrawn 03/05/2010
Miami-Dade County	Chapter 163 F.S.; Miami-Dade County Comprehensive Plan (CDMP) and adopted regulations	CDMP text amendment	Temporary Access roads
Miami-Dade County	Miami-Dade County Ordinances	IW6 Permit (Industrial Well field) for site investigation	Land use - non-residential, within major well field protection areas not served by sanitary sewers
Miami-Dade County Health Department	Chapter 373 F.S.	Water well construction permits	Well installation for hydrologic investigation
Miami-Dade County	Miami-Dade County Code Chapter 24	Domestic wastewater annual operating permit	Stabilization treatment facility
Miami-Dade County	Miami-Dade County Code Chapter 24	Operation of pollution control facility permit	Operation of fleet vehicle maintenance facility that generates waste oil, coolant, and used batteries with a solvent wash tank and served by septic tank
Miami-Dade County	Miami-Dade County Ordinances, Chapter 14	Burn Permit	Onsite combustion of construction debris. Annual permit issued
Miami-Dade County	Miami-Dade County Ordinances, Section 24-35	IW5 Permit (or waiver)	Hazardous materials or hazardous waste – large user or generator. Hazardous waste permit issued 10/01/2008
Miami-Dade County	Miami-Dade County Ordinances, Section 24	Stratospheric Ozone Protection Annual Operations Permit	Use of refrigerants R-12, R-22, R-502 for Robinair Recovery Units, Models 25200, 25200A, 25200B
Miami-Dade County	Miami-Dade County Ordinances, Section 24	Industrial Waste Annual Operations Permit	Onsite disposal of Class III industrial solid waste consisting of earth and earth-like products, concrete, rock, bricks, and land clearing debris
Miami-Dade County	Miami-Dade County Ordinances, 89-104	Marine Facilities Annual Operations Permit	Operation of 1 wet slip, 1 dry slip, 2 commercial vessels

Jurisdictional Agency	**Authority, Law, or Regulation**	**Description of Requirement**	**Activity Covered**
South Florida Water Management District (SFWMD)	Chapter 373 F.S.	Water well construction permits	Pump test for test wells

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PROCEDURES and WORK INSTRUCTIONS

GO 2 NextEra Energy, Inc. Internal Control Policy
GO 7 FPL Documents - Monthly Closing Schedule
GO 300 Cash Disbursement
GO 354 Non-PO Invoice - General
GO 356 Creating an Account Assignment Model
GO 358 Framework PO Invoice - Entering an Invoice
GO 362 Entering a Framework PO Credit Memo
GO 606 Specific ER – General
GO 700 Integrated Supply Chain – Policy
GO 702 Utilization of Small Business Concerns
GO 705 Purchasing Goods and Services – Policies and Definitions
GO 705.2 Methods of Purchasing Goods and Services - Types of Goods and Services
GO 705.4 Purchasing Goods and Services – Using Purchase Orders and Contracts
GO 705.10 Purchasing Goods and Services - Procurement System Controls
GO 720.5 Purchase Order - Receipt of Materials and Services
GO 740 Transportation Freight Payments
QI4-NSC-1Rev9ProcurementControl
BO-AA-102-1008 r0 Procurement Control
Engineering & Construction Project Controls Framework
Engineering & Construction Accrual Process Narrative rev 10-14-11
Engineering & Construction Utility Fixed Assets Process narrative 10-14-11
Engineering & Construction Project Controls Monthly Deliverables
FPL Shopping Carts
Process for Recording Contractor Retention
Utility Retention Step by Step
Electronic Invoice Scan Process
NPP-DESKTOP-GUIDE-012009
Updating Monthly Cost Report Process
Work Breakdown Structure -012009
Rules of Engagement
Subject Matter Expert Process
Solar/New Nuclear Charging Guidelines 07-22-11

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PROJECT REPORTS

REPORT	REPORT DESCRIPTION	PERIODICITY	AUDIENCE
FPL/Bechtel COL Weekly Status Updates	FPL/Bechtel COL Project action items, applicable schedules and RAI review table.	Weekly	Project staff personnel, project management and project controls
FPL COL Weekly Status Updates	FPL COL Project action items, applicable schedules, Action Request look ahead report, Bechtel RAI report and FPL status report	Weekly	Project staff personnel, project management and project controls
Corporate Variance (Cost)	Financial status compared to corporate budget including Current Month (CM), Quarter (QTR), Year-To-Date (YTD) and End-Of-Year (EOY) with variance explanations	Monthly	Executive Management
NFR Variance	Compares filing projections for CM, YTD, EOY, and Prior Month Forecast with variance explanations.	Monthly	Project Management and department heads
NFR Summary	Compares filing projections to actual/forecast with major milestone schedule dates	Monthly	Project Management and department heads

REPORT	REPORT DESCRIPTION	PERIODICITY	AUDIENCE
Project Cost Summary	Financial status by WBS Element including CM, YTD and EOY	Monthly	Project Management
Cost Recovery by Detail	Compares pre-construction NFR filing projection details to actual/forecast for CM, YTD and EOY	Monthly	Project Management
Pre-Construction Cumulative Spend Graph	Visually compares Corporate Budget, May 08 NFR Projection, May 09 NFR Projection to actual expense and forecast	Monthly	Project Management and department heads
Due Diligence Report	Project status and potential liabilities that may require disclosure in company financial reports	Quarterly	Executive Management
Quarterly Risk Assessment	Risk assessment focuses on the licensing, permitting and general development activities	Quarterly	Project Management

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NNP PROJECT INSTRUCTIONS & FORM LIST

Procedure Number	Title	Revision Number	Effective Date
NNP-PI-01	Request For Information (RFI) and RFI Response	2	09/15/2010
NNP-PI-02	Preparation, Revision, Review, and Approval Of New Nuclear Projects Project Instructions	2	09/15/2010
NNP-PI-03	NNP Project Document Retention	1	09/10/2010
NNP-PI-04	COLA Configuration Control and Responses to Requests for Additional Information for Project Applications	2	09/10/2010
NNP-PI-05	NNP Correspondence	1	09/10/2010
NNP-PI-06	NNP NRC Correspondence	2	09/15/2010
NNP-PI-07	NNP Department Training	2	08/16/2010
NNP-PI-08	NNP COLA Review & Approval Process	4	09/10/2010
NNP-PI-09	NNP COLA Submittal	1	06/23/2009
NNP-PI-10	NNP PTN COLA Related Project Management Briefs, Project Memoranda, and COLA Related Document Reviews	2	09/10/2010
NNP-PI-011	Change Control for COL Application Plant Specific Design Information	2	08/30/2010
NNP-PI-012	Visiting Dignitaries	0	08/17/2009
NNP-PI-013	Technical Review of Commercial Project Documents	1	08/20/2010
NNP-PI-14	Discovery Production Instructions Related to Turkey Point 6 & 7 Combined License Hearing	1	08/11/2010
NNP-PI-100	Project Schedule and Configuration Control	0	08/03/2009
Desk Top Instruction Number	**Title**	**Revision Number**	**Effective Date**
NNP-AA-01	NNP Regulatory Items & Commitments Data Control	1	05/30/2010
NNP Form Number	**Title**	**Revision Number**	**Effective Date**
NNP-PI-01-01	FPL NNP PTN 6&7 COLA RFI and RFI Response	0	01/31/2008
NNP-PI-02-01	Project Instruction Review and Approval Form	0	03/11/2008
NNP-PI-03	Not Used	NA	NA
NNP-PI-04	Not Used	NA	NA
NNP-PI-05	Not Used	NA	NA
NNP-PI-06-01	NNP Outgoing NRC Correspondence Review & Approval Sheet	1	06/03/2010
NNP-PI-07-01	NNP Training Attendance Form	0	03/19/2008

NNP PROJECT INSTRUCTIONS & FORM LIST

NNP Form Number	Title	Revision Number	Effective Date
NNP-PI-07-02	NNP Training Exemption Form	0	03/19/2008
NNP-PI-07-03	NNP Required Reading Form	4	8/30/2010
NNP-PI-08-01	Comment Resolution Acceptance Form	1	08/18/2008
NNP-PI-08-02	LRB MEETING SUMMARY FORM	1	09/08/2008
NNP-PI-09-01	CERTIFICATION REFERENCE FORM	0	10/03/2008
NNP-PI-10-01	NNP Document Review Comment Form	0	03/11/2008
NNP-PI-10-02	NNP Project Management Brief Review And Approval Form	1	01/25/2010
NNP-PI-11-01	Screen and Evaluation of COL Applicant Changes to a DCD	1	6/10/2009
NNP-PI-11-02	Guidance and Instructions for Completing Screens and Evaluations of Changes to DCDs	1	6/10/2009
NNP-PI-11-03	10 CFR Part 52 Screener Training and Qualification Form	1	6/10/2009
NNP-PI-11-04	Departure Screening/Evaluation Review and Approval Form	1	6/10/2009
NNP-PI-13-01	Review and Approval Form	0	3/17/2010
NNP-PI-13-02	Document Review Checklist	1	8/20/2010
NP-AA-01	Regulatory Items & Commitments	0	9/09/2008

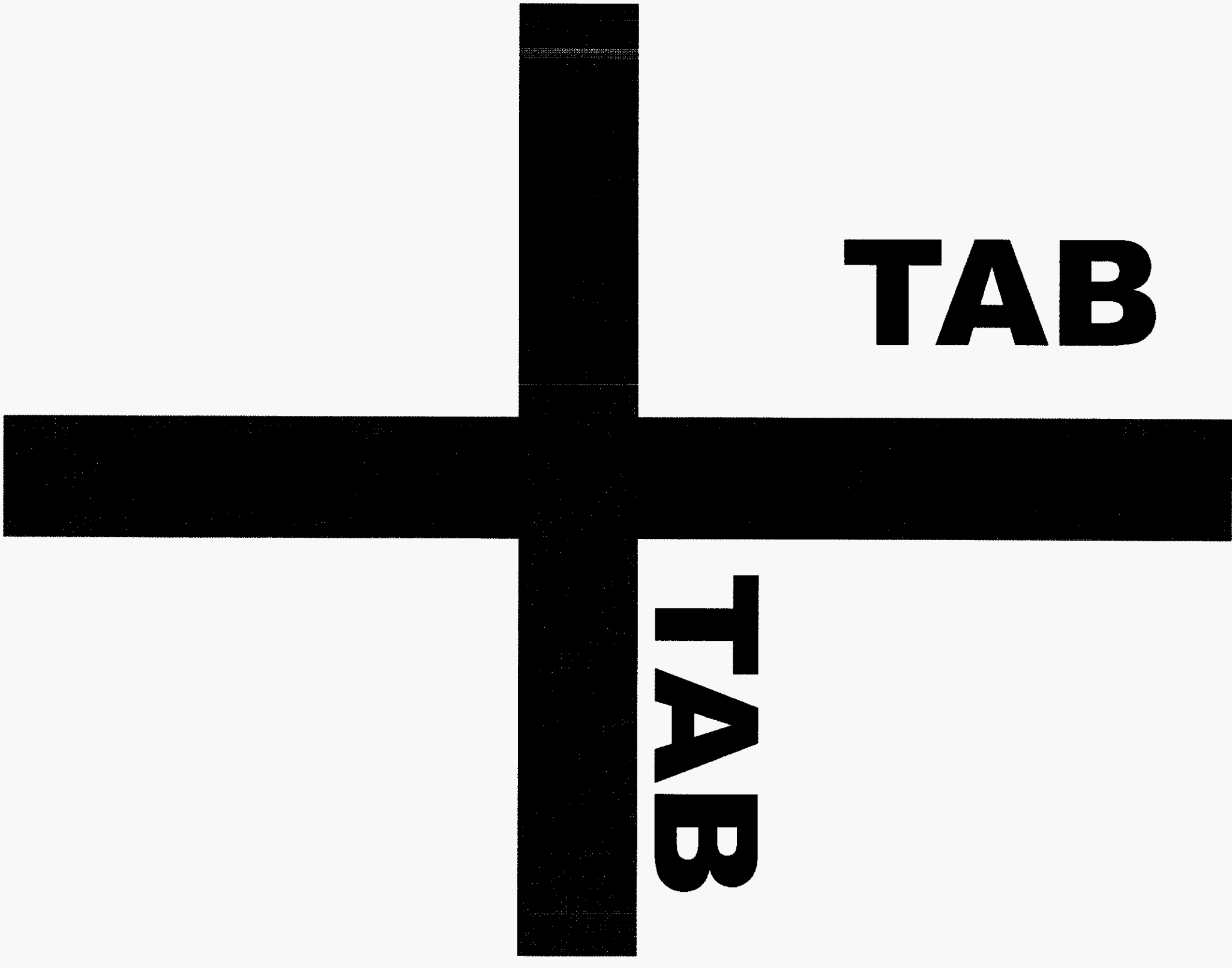
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Table 1. 2011 Preconstruction Costs

Category	2011 Actual Costs ($)
Licensing	19,339,343
Permitting	679,397
Engineering & Design	3,132,238
Long Lead Procurement	0
Power Block Engineering & Procurement	0
Total Preconstruction Costs	**23,150,978**
Transmission	$0
Total Preconstruction Costs & Transmission	**23,150,978**

Table 2. 2011 Licensing Costs

Category	2011 Actual Costs ($)
NNP Team Costs -- NNP FPL payroll and expenses, FPL Project Team Facilities, FPL Engineering, FPL Licensing	4,035,396
Application Production – COLA/SCA Contractor, Project A&E, NRC and DCWG fees;	8,943,896
SCA Oversight	281,470
SCA Subcontractors:	
• ECT – Transmission	566,203
• Golder – Environmental	679,172
• McNabb – Underground Injection	10,920
SCA Total	1,537,765
Environmental Services – FPL payroll and expenses, External support expenses	1,369,713
Power Systems – FPL payroll and expenses, System studies, licensing and permitting support and design activities	199,757
Licensing Legal – FPL payroll and expenses, External Legal Services, Expert Witnesses	2,568,544
• Regulatory Affairs	507,208
• Regulatory Accounting	177,064
Total Regulatory Support	684,272
Total Licensing	**19,339,343**

Table 3. 2011 Permitting Costs

Category	2011 Actual Costs ($)
Marketing and Communications – FPL payroll and expenses, External Media Support, Surveys, and Outreach Support, Graphics and Collateral materials	6,506
Development – FPL payroll and expenses, various studies	575,211
Legal – FPL payroll and expenses, external support for permitting legal specialists	97,680
Total Permitting	**679,397**

Table 4. 2011 Engineering and Design Costs

Category	2011 Actual Costs ($)
Engineering and Construction Team – FPL payroll and expenses, Preconstruction project management	7,000
Pre-construction External Engineering – construction planning	2,681,007
APOG Membership Participation	0
EPRI Advanced Nuclear Technology	275,000
FEMA Fees	169,231
Total Engineering and Design	**3,132,238**

Table 5. 2011 Power Block Engineering and Procurement

Category	2011 Actual Costs ($)
No cost in 2011	0
Total Power Block Engineering and Procurement	**0**

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FPL TP UNITS 6 & 7 PROJECT – CERTIFICATION SCHEDULE ALTERATIONS IN 2011

Date Filed	Motion/Order	Filed By	Schedule Alteration
12/30/10	Motion	DEP/FPL	Requested approval of later deadlines for filing of notices of proposed alternate transmission corridors (to 6/1/11 for collegial bodies.).
1/3/11	Order	ALJ	Granted 12/30/11 Motion and approved requested schedule changes.
3/4/11	Motion	DEP/MDC/FPL	Requested approval of 8th Revised Schedule incorporating previously-approved alterations and establishing: later deadline for filing of SFWMD agency report on FPL transmission corridors (to 6/13/11); later dates for the plant/non-transmission completeness process (leading to agency reports by 12/29/11 and DEP Project Analysis by 3/16/12); later dates for certification hearing (5/1/12 through 6/4/12) and Siting Board action on certification (9/25/12); a later deadline for MDC's land use determination (to 9/30/11), later dates for land use hearing (12/14-16/11) and for Siting Board action on land use (3/13/12); later deadlines for alternate corridor review process (leading to agency reports on alternate corridors by 8/22/11 and DEP's Project Analysis by 9/7/11).
3/8/11	Order	ALJ	Granted 3/4/11 Motion and approved 8th Revised Schedule.
5/16/11	Motion	DEP/FPL	Requested approval of later deadlines for agency reports (to 6/15/11) and DEP's Project Analysis

Date Filed	Motion/Order	Filed By	Schedule Alteration
			(7/11/11) on FPL transmission corridors.
5/18/11	Order	ALJ	Granted 5/18 Motion and approved requested schedule changes.
6/8/11	Motion	SFWMD	Requested approval of later deadline for SFWMD agency report on FPL transmission corridors (to 8/17/11).
6/9/11	Order	ALJ	Granted 6/8 Motion and approved requested schedule change.
6/10/11	Motion	MDC/FPL	Requested approval of later deadline for MDC agency report on FPL transmission corridors (to 8/17/11).
6/13/11	Order	ALJ	Granted 6/10 Motion and approved requested schedule changes.
6/15/11	Motion	MDC/FPL	Requested approval of a 45-day extension in the 6/15/11 deadline for MDC's completeness recommendation on proposed alternate transmission corridors.
6/16/11	Order	ALJ	Granted 6/15 Motion and approved extension of MDC deadline to 8/1/11.

Date Filed	Motion/Order	Filed By	Schedule Alteration
6/22/11	Motion	DEP/FPL	Requested approval of later deadline for DEP's completeness determination on proposed alternate corridors (to 8/8/11).
6/23/11	Order	ALJ	Granted Motion and approved requested schedule change.
7/20/11	Motion	DEP/FPL/MDC	Requested approval of 9th Revised Schedule incorporating previously-approved alterations and establishing: a later deadline for DEP's Project Analysis on FPL's transmission corridors (to 9/16/11); later deadlines for the alternate corridor review process (leading to agency reports on alternate corridor by 10/7/11 and DEP's Project Analysis by 10/24/11); later deadlines for the plant/non-transmission completeness process (leading to agency reports by 5/25/12); later dates for the certification hearing (7/10/12-8/10/12) and for Siting Board action on certification (12/4/12); a later deadline for MDC's land use determination (10/13/11), later dates for the land use hearing (2/15-17/12) and for Siting Board action on land use (3/22/12).
7/20/11	Order	ALJ	Granted Motion and approved 9th Revised Schedule.

Date Filed	Motion/Order	Filed By	Schedule Alteration
8/8/11	Motion	SFWMD/MDC	Requested approval of: later deadlines for: SFWMD and MDC agency reports on FPL transmission corridors (to 10/17/11) and DEP Project Analysis to (11/16/11); and later deadlines for the alternate corridor review process (leading to agency reports on alternate corridors by 12/7/11 and DEP's Project Analysis by 12/23/11).
8/9/11	Order	ALJ	Granted Motion and approved requested schedule changes.
8/18/11	Motion	Pinecrest/Gables/Miami Dade Limestone	Requested approval of later deadlines for the alternate corridor review process, including for proponents to submit additional data (to 10/21/11), for agency recommendations on completeness (to 10/31/11) and for DEP's determination of completeness (to 11/4/11).
8/26/11	Order	ALJ	Granted Motion and approved requested schedule changes.

Date Filed	Motion/Order	Filed By	Schedule Alteration
10/10/11	Motion	DEP/SFWMD/MDC/FPL	Requested approval of 10th Revised Schedule incorporating previously-approved alterations and establishing: later deadlines for SFWMD and MDC agency reports on FPL transmission corridors (to 12/16/11) and for DEP 's Project Analysis (to 1/30/12); later deadlines for the alternate corridor review process, including for proponents to submit additional data (to 12/16/1), for agency recommendations on completeness (to 1/5/12) for DEP's completeness determination (to 1/11/12) for agency reports on alternate corridors (to 2/20/12) and for DEP's Project Analysis (to 3/9/12); a later deadline for MDC's land use consistency determination (to 2/15/12); later dates for the land use hearing (4/25-27/12) and for Siting Board action on land use (7/24/12); a later deadline for DEP's Project Analysis on plant/non-transmission (to 7/27/12); later dates for the certification hearing (9/10-10/11), and for Siting Board action on certification on (2/5/13).
10/10/11	Order	ALJ	Granted Motion and approved 10th Revised Schedule.
10/26/11	Motion	FPL/DEP/MDC	Requested approval of later deadline for MDC's preliminary statement of issues on plant/non-transmission (to 11/7/11).
10/27/11	Order	ALJ	Granted Motion and approved requested extension of MDC deadline.

Date Filed	Motion/Order	Filed By	Schedule Alteration
12/9/11	Motion	Cities/DEP/FPL	Requested approval of later deadlines for: alternate corridor process, including deadlines for submission of additional data (to 1/6/12), agency completeness recommendations (to 1/20/12), DEP's determination of completeness (to 2/1/12), agency reports (to 2/27/12 and 3/12/12), and DEP's Project Analysis on alternate corridors (to 3/30/12); DEP's Project Analysis on FPL's transmission corridors (to 2/29/12); and agency reports on plant/non-transmission (to 3/23/12).
12/12/11	Order	ALJ	Granted Motion and approved requested schedule changes.
12/16/11	Motion	MDC/MUNIs	Requested approval of later deadline for MDC's agency report on FPL transmission corridors.
12/21/11	Order	ALJ	Granted Motion as clarified and approved extension of MDC deadline.